



SARVESHWAR FOODS LIMITED

Our Company was originally incorporated as a private limited company, at Jammu and Kashmir, India under the Companies Act, 1956 in the name of Sarveshwar Overseas Private Limited vide Certificate of Incorporation dated August 3, 2004. Fresh Certificate of Incorporation dated April 13, 2010 was issued to the Company pursuant to change of name of our Company to Sarveshwar Organic Foods Private Limited. Subsequently, fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 29, 2010 was issued by RoC, Jammu and Kashmir. Further, the name of our Company was changed to Sarveshwar Foods Limited pursuant to which, our Company has received a fresh Certificate of Incorporation dated June 29, 2015. For details of changes in name and registered offices of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 115 of this Red Herring Prospectus.

Registered Office: Sarveshwar House, Below Gummat, Jammu 180 001, Jammu and Kashmir, India.
Telephone: +91 191 2547391, +91 192 3220962; **Contact Person:** Ms. Prabhdeep Kour, Company Secretary & Compliance Officer
E-mail: investorrelations@sarveshwarice.com; **Website:** www.sarveshwarice.com; **Corporate Identity Number:** U15312JK2004PLC002444

OUR PROMOTER : MR. ROHIT GUPTA

PUBLIC ISSUE OF UPTO 64,67,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SARVESHWAR FOODS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLIONS. THE ISSUE COMPRISES OF UPTO 3,24,800 EQUITY SHARES OF FACE VALUE ₹10 EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] MILLIONS WHICH WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 61,42,400 EQUITY SHARES OF FACE VALUE OF ₹10 EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.32% AND 25% RESPECTIVELY OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

PRICE BAND: ₹ 83 TO ₹ 85 PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS 8.3 TIMES AND 8.5 TIMES THE FACE VALUE AT THE LOWER AND UPPER PRICE BAND RESPECTIVELY.

BID CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 1,600 EQUITY SHARES THEREAFTER.

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will 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 BRLMS.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED) FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE RELATED INFORMATION" BEGINNING ON PAGE 208 OF THIS RED HERRING PROSPECTUS.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10 2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("**ASB**") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same. For details in this regard, specific attention is invited to section titled "Issue Procedure" beginning on page 216 of this Red Herring Prospectus. A copy of Red Herring Prospectus and Prospectus will be delivered for registration to the Registrar of Companies as required under Section 32 and Section 26 respectively of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price is 8.3 times the face value and the Cap Price is 8.5 times the face value. The Issue Price as determined by our Company, in consultation with the BRLMS as stated in the section titled "Basis for Issue Price" beginning on page 75 of this Red Herring Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 16 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("**NSE**"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, Our Company has received an In Principle approval letter dated January 25, 2018 from NSE for using its name in this Red Herring Prospectus for listing of our equity shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

				
<p>KEYNOTE CORPORATE SERVICES LIMITED The Ruby, 9th Floor Senapati Bapat Marg, Dadar (West) Mumbai 400 028, India. Telephone: +91 22 3026 6000 Facsimile: +91 22 3026 6088 Email: mbd@keynoteindia.net Investor grievance email: info@keynoteindia.net Contact Person: Akhil Mohod Website: www.keynoteindia.net SEBI Registration Number:INM000003606</p>	<p>SMALL INDUSTRIAL DEVELOPMENT BANK OF INDIA SIDBI, MSME Development Centre Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. Telephone: +91 22 6753 1100 Facsimile: +91 22 6753 1236 Email: equity@sidbi.com Investor grievance email: merchantbanking@sidbi.in Contact Person: Suresh Kumar Rai Website: www.sidbi.net SEBI Registration Number:INM000012086</p>	<p>INDIAN OVERSEAS BANK 763, Anna Salai Chennai 600 002, India. Telephone: +91 44 2851 9548/ 2888 9367 Email: mbd@jobnet.co.in Investor grievance email: mbdregu@jobnet.co.in Contact Person: P. Jayakumar/ A. Nagappan-MBD Chennai S. Muralidharan- Mumbai Website: www.ioib.in SEBI Registration Number:INM000001386</p>	<p>ASIT C. MEHTA INVESTMENT INTERMEDIATES LIMITED Nucleus House, Saki vihar road Andheri (East), India. Mumbai - 400 072 Telephone: +91 22 2858 3038 Facsimile: +91 22 2857 7894 Email: purvi.ambani@acm.co.in Investor grievance email: investorgrievance@acm.co.in Contact Person: Purvi R. Ambani Website: www.investmentz.com SEBI Registration Number:INM000010973</p>	<p>BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East) Mumbai 400059, India. Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: ipo@bigshareonline.com Investor grievance email: investor@bigshareonline.com Contact Person: Ashok Shetty Website: www.bigshareonline.com SEBI Registration Number: INR000001385</p>

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: MONDAY, MARCH 05, 2018

BID/ISSUE CLOSES ON: WEDNESDAY, MARCH 07, 2018



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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviation which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto.

As on date of this Red Herring Prospectus, our Company has two (2) subsidiaries. Consequently, all references to "our Company", "the Issuer", "we", "our", "us" or "Sarveshwar Foods Limited" is to Sarveshwar Foods Limited, a company incorporated under the previous Companies Act, 1956 and having its Registered Office at Office No. Sarveshwar House, below Gummat, Jammu 180001, Jammu and Kashmir, India and its subsidiaries, on a consolidated basis.

The words and expression used in this Red Herring Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled "Statement of Tax Benefits"; "Financial Statements"; "Outstanding Litigation and Material Developments"; and "Main Provisions of Articles of Association" beginning on pages 77, 142, 187 and 230 respectively, shall have the meanings ascribed to such terms in these respective sections.

Company related terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/ Statutory Auditors	M/s. K R A & Co., Chartered Accountants have been appointed as the Statutory Auditors of the Company w.e.f July 14, 2017. Prior to them, M/s. P.C Bindal & Co., Chartered Accountants were the Statutory Auditors of the Company.
Board of Directors/ our Board	The board of directors of our Company, as duly constituted from time to time
CSR Committee	Corporate social responsibility committee of our Company constituted in accordance with the Companies Act, 2013
Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.
Equity Listing Agreement/ Listing Agreement	The equity listing agreement to be entered into by our Company with the Stock Exchanges
Equity Shares	The equity shares of our Company of face value of ₹10 each
Group Companies/ Entities	The companies included under the definition of "Group Companies" under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled "Our Group Entities" beginning on page 139 of this Red Herring Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed in section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on June 26, 2017, in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013
Promoter	The promoter of our Company, being, Mr. Rohit Gupta.
Promoter Group	For further details, please refer to section titled "Our Promoter and Promoter Group" beginning on page 136 of this Red Herring Prospectus. Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled "Our Promoter and Promoter Group" beginning on page 136 of this Red Herring Prospectus.



Term	Description
Registered Office	Sarveshwar House, below Gummat, Jammu 180 001, Jammu and Kashmir, India.
RoC/ Registrar of Companies	The Registrar of Companies, Jammu and Kashmir situated at Hall Nos. 405 to 408 Bahu Plaza, South Block, Rail Head Complex Jammu 180012, Jammu and Kashmir, India.
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, Subsidiaries of our Company which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information for six (6) months period ended September 30, 2017 and the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.
Restated Financial Information	Collectively, the Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	The restated standalone financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profit and loss and the restated standalone cash flow information for six (6) months period ended September 30, 2017 and financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Companies Act, 2013
Subsidiary of our Company	A subsidiary of our Company as of the date of this Red Herring Prospectus, in accordance with the Companies Act, 2013, and as set out under section titled "History and Certain Corporate Matters – Subsidiaries of our Company" beginning on page 119 of this Red Herring Prospectus. Our Company has two (2) subsidiaries as on the date of this Red Herring Prospectus.

Issue related terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange i.e. National Stock Exchange of India Limited.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA Account	An account maintained with an SCSB and specified in the Bid-cum-Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid-cum-Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue/ Escrow Collection Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being HDFC Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under section titled "Issue Procedure" beginning on page 216 of this Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid-cum-Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid-cum-Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid-cum-Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon



Term	Description
	submission of the Bid in the Issue
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and in the regional newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and in the regional newspaper [●], each with wide circulation and in case of any revision, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bid-cum-Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid-cum-Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
Book Running Lead Managers/ or BRLMS	The BRLMS to the Issue are Keynote Corporate Services Limited, Small Industrial Development Bank of India, Indian Overseas Bank, Asit. C. Mehta Investment Intermediates Limited.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid-cum-Application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of NSE India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLMS. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid-cum-Application Forms used by Bidders/Applicants (excl Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders 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



Term	Description
	Collecting Depository Participants eligible to accept Bid-cum-Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue may give delivery instructions for the transfer of the Issued Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid-cum-Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-cum-Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated December 26, 2017 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid-cum-Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue	The initial public offer of up to 64,67,200 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●]
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the BRLMS on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid-cum-Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion



Term	Description
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid-cum-Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the BRLMS
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of ₹83 per Equity Share (Floor Price) and the maximum price of ₹85 per Equity Share (Cap Price) including revisions thereof.
Pricing date	The date on which our Company in consultation with the BRLMSs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. HDFC Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCsBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being HDFC Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai– 400 072, India
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
SCSB/ Self Certified	shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as



Term	Description
Syndicate Banker	amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid-cum-Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate or Members of the Syndicate	The BRLMS and the Syndicate Members
Syndicate Agreement	Agreement dated February 02, 2018 entered into amongst the BRLMS, the Syndicate Members, our Company in relation to the procurement of Bid-cum-Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Asit C. Mehta Investment Intermediates Limited and Keynote Capitals Limited.
Underwriters	Keynote Corporate Services Limited, Small Industrial Development Bank of India, Indian Overseas Bank and Asit C. Mehta Investment Intermediates Limited.
Underwriting Agreement	The agreement dated February 02, 2018 entered into between the Underwriter and our Company
Working Day	shall mean all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays

Technical/Industry Related Terms/Abbreviations

Term	Description
BRC	British Retail Consortium
HACCP	Hazard Analysis and Critical Control Point
IFOAM	International Federation of Organic Agriculture Movements
IPQC	In Process Quality Control
NOP	National Organic Program
NPOP	National Program for Organic Production
USDA	United States Department of Agriculture
USFDA	United States Foods and Drugs Administration

Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations
CCI	Competition Commission of India
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
Companies Act, 1956	Companies Act, 1956 (<i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i>) along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications made thereunder
Competition Act	The Competition Act, 2002



Term	Description
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details
Depository	A depository registered with SEBI under the Depositories Act, 1996
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DCIT	Deputy Commissioner of Income Tax
DCST	Deputy Commissioner of Sales Tax
DIN	Director identification number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Red Herring Prospectus.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
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 the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934
RoC	The Registrar of Companies, Jammu and Kashmir
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended



Term	Description
/ SEBI (LODR) Regulations	
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
Stock Exchanges	NSE Emerge
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(zn) of the SEBI (ICDR) Regulations

General terms/ Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
ACIT	Assistant Commissioner of Income Tax
AGM	Annual General Meeting
APEDA	Agricultural and Processed Food Products Export Development Authority
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
A. Y.	Assessment year
BPLR	Bank Prime Lending Rate
CAGR	Compounded annual growth rate
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CrPC	The Jammu and Kashmir Code of Criminal Procedure, 1989, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DTC	Direct Taxes Code
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
FDI	Foreign direct investment
FIPB	Foreign Investment Promotion Board
GAAR	General anti avoidance rules
GFSI	Global Food Safety Initiative
GIR	General index register
GoI/ Government	Government of India
GoM	Government of Maharashtra
GST	Goods and Services Tax Act
HBOFPL/ Himalayan Bio Organic	Himalayan Bio Organic Foods Private Limited, a wholly owned subsidiary of our Company.
HNI	High Net worth Individual
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
Ltd.	Limited
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable



Term	Description
NAV	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NCR	National Capital Region
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
No.	Number
NoC	No objection certificate
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE EMERGE	EMERGE Platform of NSE Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price earnings ratio
PAN	Permanent account number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
PCB	Pollution Control Board
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on net worth
RPC	Ranbir Penal Code, 1989, as amended
RTGS	Real time gross settlement
SOL/ Sarveshwar Overseas	Sarveshwar Overseas Limited, wholly owned subsidiary of our Company
STT	Securities Transaction Tax
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
YoY	Year on Year



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

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Red Herring Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise, financial data included in this Red Herring Prospectus is derived from the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with SEBI (ICDR) Regulations.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Red Herring Prospectus.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year. The Restated Standalone Financial Information and Restated Consolidated Financial Information for six (6) months period ended September 30, 2017 and for Financial Years ended March 31, 2017; March 31, 2016; March 31, 2015; March 31, 2014; and March 31, 2013 are included in this Red Herring Prospectus.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Red Herring Prospectus, including in sections titled "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 16; 96; and 142 respectively, have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations.

In this Red Herring Prospectus, all figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

- "Rupees", "Rs.", "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India.

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Exchange Rates

This Red Herring Prospectus does contain conversion of any other currency amounts into Indian Rupees.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained and derived



from the report titled "CRISIL Research-Rice Industry". 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. Accordingly, no investment decision should be made on the basis of this information. Although, we believe that the industry and market data used in this Red Herring Prospectus is reliable, neither we nor the BRLMS nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors – Third party statistical and financial data in this Red Herring Prospectus may be incomplete or unreliable" beginning on page 16 of this Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI (ICDR) Regulations, we have included in the section titled "Basis for Issue Price" beginning on page 75 of this Red Herring Prospectus, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.



FORWARD LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

These forward-looking statements and any other projections contained in this Red Herring Prospectus (*whether made by us or any third party*) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to be materially different than those contemplated by the relevant forward-looking statements.

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

1. Our ability to compete effectively;
2. Significant declines in the price of Basmati rice or the availability of Basmati paddy;
3. Our Company's inability to meet its substantial working capital requirements or maintain its existing credit facilities;
4. Indian governmental policies regarding the rice processing sector, various duties and taxes, the monetary and interest rate policies and other policies affecting our Company's business;
5. Our Company's inability to meet the consistent quality requirements of its customers or a change in customer preferences;
6. Competition in the industry that we operate;
7. Regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them;
8. Our ability to successfully implement our strategy;
9. Our ability to develop new products that appeal to consumers;
10. General economic and political conditions in India and globally, which have an impact on our business activities;
11. Our ability to attract and retain qualified personnel;
12. Any adverse outcome in legal proceedings in which our Company, our Promoters, Directors or key managerial personnel may be involved;
13. Unanticipated turbulence in interest rates; and
14. Equity prices or other rates or prices, the performance of the financial markets in India and globally.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to section titled "Risk Factors"; "Our Business"; and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 16; 96; and 142 respectively of this Red Herring Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The forward-looking statements contained in this Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Our Company, the Lead Manager, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the



occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMS will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being offered in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Red Herring Prospectus, the Prospectus until the Equity Shares are allotted to the investors. Further, in accordance with Regulation 51A of the SEBI (ICDR) Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus and make it publicly available in the manner specified by SEBI.



SECTION II: RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this 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 section titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 96 and 142 respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this 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 condition and prospects.

This 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 as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Consolidated Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

Internal Risk Factors

1. ***There are outstanding legal proceedings against Promoter and Director which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings against Promoter and Director. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time and attention, and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company, Promoter and Director as disclosed in this Red Herring Prospectus, to the extent quantifiable, have been set out below:

Litigation by and against our Promoter and Director, Mr. Rohit Gupta

No.	Nature of proceedings	Number of outstanding cases	Amount involved (₹ in Millions)
<i>Cases filed against our Promoter & Director</i>			
1.	Civil	2	--
<i>Cases filed by our Company</i>			
2.	Criminal	1	--
<i>Cases filed by our Promoter & Director</i>			
3.	Criminal	2	--
4.	Civil	1	--
<i>Enforcement Directorate proceedings against our Subsidiary, SOL</i>			
5.	FEMA	1	--

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 187 of this Red Herring Prospectus.



2. ***Our business is working capital intensive and insufficient cash flows or inability to borrow funds to meet our working capital requirements may materially and adversely affect our business and operations.***

Our business requires significant amount of working capital primarily due to the fact that we purchase most of our Basmati paddy only during a specific period, normally between November and January, and Basmati paddy must be aged for 12 to 18 months to ensure its most premium quality. As a result of the high inventory turnover days, we are required to maintain a sufficient stock of Basmati paddy and Basmati rice at all times in order to meet production requirements, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfill our commitments, and hence we may need to incur additional indebtedness in the future or utilize cash flows from operations and other activities to satisfy our working capital needs. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, it could materially and adversely affect our business and results of operations.

We have incurred debt primarily to fund our working capital expenditure requirements, and, as we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our planned capital expenditures. Our ability to raise additional funds is subject to a number of risks, some of which are beyond our control, including the condition of the global capital markets and Indian economy. If we decide to incur more debt, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, which could place restrictions on how we operate our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders would be diluted. There can be no assurance that we will be able to raise adequate financing on acceptable terms. However, our failure to obtain sufficient financing or maintaining our existing credit facilities could adversely affect our cash flow and financial condition and result in the delay or abandonment of our development plans.

3. ***If we are unable to effectively manage our rapid growth or pursue our expansion and growth strategy, our business prospects, results from operations and financial condition may be adversely affected.***

Our business and operations have grown rapidly in recent years, with a strong balance sheet we believe provides a foundation for future growth. We were incorporated in fiscal 2004 and commenced our operations with one (1) processing facilities with a total capacity of 1 MT/hour. As on the date of this Red Herring Prospectus, we have two (2) processing facilities with a total capacity of 14 MT/hour and a grading plant with a total capacity of 100 tonnes/day. From fiscal 2013 to 2017, our total income and profit after tax has increased at a CAGR of 32.96% and 18.71%, respectively. While we intend to continue to grow our business rapidly, we may not be able to sustain historic growth levels. Our historic annual growth rates therefore are not representative or reliable indicators of our future performance.

Further, as we continue to scale up our business, we believe that our growth could place significant demands on our operational, credit, financial and other internal risk controls. Our growth also increases the challenges involved in developing and improving our internal administrative infrastructure. Addressing the challenges arising from our growth entails substantial senior level management time and resources and would put significant demands on our management team and other resources. As we grow, we may not be able to implement, manage or execute our strategy efficiently in a timely manner, or at all, which could adversely affect our business, prospects, results of operations, financial condition and reputation. Our growth also relies on the growth in exports from India, which is subject to factors outside of our control, including India's trade relations and duties with countries to which we export. In the past, we have demonstrated successfully our commitment to effectively implement our business strategies but there is no assurance that we may be able to manage our growth and successfully implement our expansion strategies in the future.

Further, as we seek to expand our business operations, we will face the risk that some of our competitors may be more experienced in or have a deeper understanding of these businesses or have better relationships with potential customers. If we are unable to overcome these obstacles and are unsuccessful in executing our growth strategy, our business, prospects, results of operations and financial condition could be adversely affected.

4. ***Non-availability and cost of Basmati paddy could adversely affect our growth plans and business.***

The availability and cost of Basmati paddy are subject to crop and market factors that are outside our control. We rely on farmers for most of our supply of Basmati paddy, which we eventually process into Basmati rice. We also procure aged Basmati paddy from stockists during off-peak season who generally charge prices which are approximately 10.0% to 15.0% higher than peak season prices of Basmati paddy. Basmati paddy procured during off-peak season accounted 10% of our total procurement during fiscal 2017. Before procurement, our procurement cells survey paddy fields to assess the quality and availability of Basmati paddy. Once procurement season begins, we conduct laboratory testing to determine the yield and after-cooking characteristics of the Basmati rice we expect to eventually sell. The availability and cost of Basmati paddy thus affect the quality, quantity and price of Basmati rice that we eventually sell.



The Basmati rice industry is an agro-based industry and its main raw material is Basmati paddy. The availability and cost of basmati paddy are subject to numerous risks, including the popularity of competing crops and crop conditions. Farmers who currently grow basmati paddy may shift planting to other crops for a variety of reasons, such as less than favorable monsoon seasons, pest infestation, prices and demand of other crops, etc., which could result in a decrease in basmati paddy production. Our ability to obtain adequate quantities and quality of basmati paddy is also dependent on crop conditions. For example, crop yields of basmati paddy will decrease due to successive light monsoons or the prevalence of diseases and pests. Moreover, with the increasing prevalence of genetically modified products in agriculture, there is a risk that genetically modified products used in different agricultural industries in India may contaminate the areas from which we source our basmati paddy. Because we cannot enter into arrangements to hedge against these factors, the availability and price of basmati paddy are outside of our control.

Additionally, due to our inability to enter into long-term supply contracts with basmati paddy farmers we cannot assure you that we will receive the required quantities of basmati paddy to commensurate with our requirements. Further, farmers that we have historically bought basmati paddy from may instead choose to sell basmati paddy to other parties. Our business depends on our ability to procure quality basmati paddy at commercially viable cost, and we cannot assure you that we will be able to procure all of our basmati paddy requirements in the future, or that we will be able to pass any increases in the price of basmati paddy on to our customers. Our inability to procure sufficient basmati paddy at reasonable cost could adversely affect our growth plans, business, results of operations and financial condition.

5. ***Natural disasters and calamities and other adverse conditions could affect the Company's capacity utilization and paddy procurement.***

The State of J&K has a peculiar topography, rugged terrain, extreme weather conditions and underdeveloped economy, the State has suffered a lot on account of natural disasters. Hazards like earthquakes, floods, fires, droughts, avalanches and landslides often convert into disasters which are beyond our control.

Our Company's business and operations is vulnerable to such natural disasters and calamities associated with the State of J&K. Our Company maintains insurance for its assets which covers them against damages caused from fire and special perils, including floods, storms, riots, strikes and earthquakes. If a natural disaster was to occur which is not covered by insurance, our Company's business, results of operations and financial condition could be adversely affected.

Our Company's ability to obtain adequate quantities and quality of basmati paddy is dependent on weather conditions, such as sufficient rainfall and healthy crops and non-occurrence of any natural disaster which may ruin the crop completely. Any natural disaster may affect our Company's capacity utilization and basmati paddy procurement, which could mean that our Company's business, results of operations and financial condition could be adversely affected.

6. ***Any decrease in the market price of Basmati rice between purchasing basmati paddy and selling Basmati rice may adversely affect our financial condition.***

The Basmati rice industry is cyclical and is dependent on the Basmati paddy harvest, which occurs generally from September to November. Basmati paddy procurement begins in October till January. However, the basmati paddy purchased is processed throughout the year. Following processing, there is a long period before the basmati rice is ready for sale. This is a unique feature of the basmati rice processing industry, where the quality of basmati rice being processed improves with age. Due to the higher market price of aged basmati rice, a significant amount of time passes between when we purchase basmati paddy and sell finished basmati rice. Basmati rice paddy is generally sold by the farmers in six months after it is harvested. In fiscal 2017, 2016, and 2015, the average combined holding period for finished goods and raw materials of our Company was 6.27, 1.5, and 5.8 months. During this period of aging, the price of basmati rice may fluctuate. Currently, we are not able to hedge against such price risk.

Further, we rely on historic prices of basmati rice in determining the price and quantity of basmati paddy for purchase and the costs of storage, production and transportation of basmati paddy and basmati rice. As such, if the price of basmati rice falls during the time it is held for ageing, we may not be able to recover our investment in the basmati paddy and processing operations, which could adversely affect our financial condition. Further, any change in consumption patterns of basmati rice or any reduction in demand for basmati rice processed by us could also adversely affect our operations and profitability.

In addition, the wholesale price of basmati rice has a significant impact on our profitability. Basmati rice is subject to price fluctuations due to weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. Any prolonged decrease in basmati rice prices could have a material adverse impact on our operations and profitability.



7. ***The Government of India may impose export duties or other export restrictions related to our business, which could adversely affect our business and financial condition.***

The Government of India (the "**Government**") has in the past and may in the future impose export duties or other export restrictions that could adversely affect our business and financial condition. While this export duty has since been lifted, we cannot assure you that the Government will not impose similar duties or other export restrictions on us in the future. Any export duties or other export restrictions related to our business could adversely affect our business and financial condition.

8. ***Our exports primarily to the countries in the Middle East, certain European countries and the United States may be dependent upon the policies passed by the respective governments of such countries. Any change in government policies and regulations including any ban imposed on particular variety of rice by the government might have an adverse impact on our exports which could have a material adverse effect on our business, results of operations and financial condition.***

We primarily sell varieties of sella and sharbati basmati rice to countries in the Middle East, including United Arab Emirates, Saudi Arabia and Kuwait, certain European countries and to the United States. We have exported Basmati rice aggregating to ₹ 267.20 million, ₹431.65 million, ₹642.55 million, and ₹760.73 million, for Six (6) months period ended September 30, 2017 and for fiscal 2017, 2016, and 2015, respectively. Our exports are exposed to certain political, economic and other related risks inherent, including exposure to potentially unfavourable changes in tax or other laws, partial or total expropriation, and the risks of war, terrorism and other civil disturbances for which the Company carries no insurance coverage.

As part of our growth strategy, we intend to increase our exports in the coming years in several other countries and regions. In addition, we also intend to increase our exports to the abovementioned countries. However, any change in government policies and regulations including any ban imposed on particular variety of rice by the government might have an adverse impact on our exports. The loss of any significant export rice market because of these events or conditions could have a material adverse effect on our business, results of operations and financial condition.

9. ***We have incurred a substantial amount of debt. If we fail to comply with the covenants in our financing agreements, some of our financing agreements may be terminated, which could adversely affect our business and financial condition.***

We have incurred a substantial amount of debt, comprising of ₹ 2089.00 million, ₹1,788.28 million, ₹1,986.67 million, and ₹1,809.38 million, for Six (6) months period ended on September 30, 2017 and for fiscal 2017, 2016, and 2015, respectively. As of March 31, 2017, our debt to equity ratio was 2.55.

We have entered into agreements with certain banks and financial institutions for short term and long-term borrowings, which contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to altering our capital structure, further issuing any shares, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, declaring dividends, or creating any charge or lien on our assets, selling or otherwise disposing off our fixed assets which are charged to the lenders, undertaking new projects or effecting any scheme of expansion, investing in any entity including group entities, undertaking guarantee obligations on behalf of any other entity, entering into secured or unsecured borrowing arrangements with any other lender, or entering into any contractual obligation which is of a long term nature or which significantly affects Sarveshwar Overseas, our Subsidiary. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Furthermore, our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further details, see the section titled "Financial Indebtedness" beginning on page 185 of this Red Herring Prospectus.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

10. ***We are based out of the State of Jammu and Kashmir, which has been affected by militancy since the past several years. Though our business is majorly operated from the Jammu Region, which has been largely peaceful in the past, our business and operations may be affected if terrorist activities spread across other areas of the State.***



The State of J&K is divided into three (3) regions. Jammu Region consisting of the districts namely Jammu, Doda, Kathua, Ramban, Reasi, Kishtwar, Poonch, Rajouri, Udhampur and Samba. Kashmir Valley consisting of the districts namely Anantnag, Bandipora, Baramulla, Budgam, Ganderbal, Kulgam, Kupwara, Pulwama, Shopian and Srinagar. The third region is the Leh-Ladakh towards the north-east areas of the state. While, the regions that have been historically affected by militancy are the areas on the Kashmir Valley regions of the state, however the other areas of the state have been largely peaceful, except for a few stray incidences, which have not affected the peace and law & order. Further, the geographical distance between Jammu and Kashmir Valley is more than 270 kms. Our business operations from procurement to sales and marketing are mostly limited to the Jammu Region. We also procure rice paddy and organic products from other states like Himachal Pradesh, Punjab, Haryana, Uttar Pradesh and Delhi. However, we cannot assure that our business and operations will not be affected by militancy and militant activities in J&K.

11. ***Certainty of supply contracts for our basmati rice from customers could adversely affect our business and results of operations.***

Our customers place purchase orders from time to time, which are short-term commitments for specified quantities of basmati rice. As a result, we typically complete the procurement process months before we receive purchase orders from customers, forcing us to rely on historical trends and other market indicators to predict demand. We have expanded our basmati paddy procurement operations based on a trend of historical growth, but we cannot assure you that we will receive purchase orders commensurate with our expanded operations on substantially the same terms, or at all. Without committed demand for finished basmati rice, we run the risk of acquiring and processing significantly more basmati paddy than we can sell basmati rice. Uncertainty of supply orders leaves us vulnerable to the vagaries of market demand, including downturns, and could adversely affect our business and results of operations.

12. ***The success of our business is substantially dependent on the services of our Promoters and certain key management personnel, the loss of whom could adversely affect our business.***

Our Promoter, Mr. Rohit Gupta, has extensive experience in the basmati rice business and has been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Mr. Rohit Gupta, who is also our Managing Director, has over twenty (20) years of experience in the basmati rice business and has been instrumental in developing and expanding our domestic and export operations. We also depend on our senior management, Directors and other key personnel for our continued success. Some of these individuals have significant experience in the rice and other export-facing industries and possess skills and understanding of how the businesses within our industry operate. We do not maintain key man insurance for any of the senior members of our management team or our Directors or other key personnel. The loss or inability of any of these individuals could adversely affect our business.

13. ***Foreign currency exchange rate fluctuations may adversely affect our results of operations.***

Our operating expenses are denominated substantially in Rupees, however, 0.07% and 0.04% of our total income for fiscal 2017 and 2016 respectively is denominated in other currencies, including the U.S. Dollar, and Euro due to our international exports. The exchange rates between the Rupee and these currencies has fluctuated, and, more recently, the Rupee has appreciated against these currencies significantly, in particular the U.S. Dollar, which accounts for 0.64% and 0.20% of our export income for fiscal 2017 and 2016 respectively. Any appreciation of the Rupee that we cannot hedge against may lead to decreases in our profit margins or operating losses due to the relative increases in our operating costs and interest expenses, which could adversely affect our results of operations.

14. ***The use of the proceeds of the Issue are based entirely on management estimates and pending such utilization, we may invest in interim investments which may result in financial loss.***

The objects for which the funds are being raised in this Issue have not been appraised by any bank or financial institution. All the figures included under the section titled "Objects of the Issue" beginning on page 69 are based on our own estimates. We may need to revise our expenditure and fund requirement which may not be within the control of our management. In the event of an increase in expenditure and fund requirement, we shall intend to try and meet these increased requirements through our internal accruals and additional debt/ equity arrangements. This may entail rescheduling or revising the plant expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose at the discretion of the board.

Our Fresh Issue size is less than ₹1,000 million, we are not required to appoint a monitoring agency under the SEBI (ICDR) Regulations. Hence, the deployment of the Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Additionally, various risks and uncertainties, including those set out in this "Risk Factors" section, may limit or delay our Company's efforts to use the Net Proceeds and to



achieve profitable growth in our business. Furthermore, pursuant to section 27 of the Companies Act 2013, any variation in the Objects of the Issue would require a special resolution of our Shareholders, and our Promoters or Controlling Shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variations. If our shareholders exercise such an exit option, our business and financial condition could be materially and adversely affected.

15. ***We rely on agents to procure sufficient basmati paddy of the proper quality for our production requirements.***

We depend on agents, who purchase raw material for processing the same in our processing unit. We have adopted standard operating procedures for our agents, including training, quality specifications and monitoring performance, but have no direct control over basmati paddy purchases. If our agents fail to deliver the correct quantity or quality of basmati paddy at the correct price, in a timely manner, or at all, our business and results of operations could be adversely affected. We typically enter into non-binding oral agreements with these agents for the procurement process. Our inability to enforce these arrangements on substantially the same terms as agreed, or at all, could adversely affect our business and results of operations. Further, in the absence of definitive agreements with our agents, we cannot assure you that they will continue to be associated with us in the future, on reasonable terms, or at all.

16. ***Any disruptions in our transportation or freight arrangements or increases in transportation costs may adversely affect our margins and results of operations.***

In addition to our own a fleet of trucks we primarily use third party transportation providers to transport basmati paddy to our processing facilities and finished basmati rice to our customers within India. For our export customers, our products are shipped on FOB/CIF basis. Failure to obtain adequate transportation facilities, in a timely manner, or at all, could adversely affect our operations and profitability. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. Transportation strikes by members of various Indian truckers' unions have in the past, and could in the future, adversely affect our ability to deliver our products. In addition, transportation costs have steadily increased and are subject to fuel price volatility and other disruptions. Continued increases in transportation costs or the unavailability of transportation services for our products may adversely affect our business and results of operations.

17. ***Our inability to meet the consistent quality requirements of our customers, or adapt to changes in, the preferences of our customers could adversely affect our business.***

We must consistently satisfy the quality requirements of our customers in the Indian and international markets. We must also continue to invest in new technology and processes so that, as the market for basmati rice continues to grow, we will continue to adapt our product to anticipate the preferences of our customers. If we are unable to provide the quality desired by, or adapt our product to anticipate the preferences of, our customers, our growth and business may be adversely affected. Our business also faces significant risk if customer preference shifts away from basmati rice. Any such change in preferences could adversely affect our business, results of operation and financial condition.

18. ***Our business entails the purchase of basmati paddy based on pre-harvest surveys and visual tests, which entails certain risks.***

Prior to our procuring basmati paddy, we conduct pre-harvest surveys through visual tests, and quality checks. Although, we conduct quality control tests on the basmati paddy before loading and unloading and is further sent for laboratory checks quality, there can be no assurance that the verification of the quality of such products is accurate at all times. In the event we end up purchasing otherwise inferior quality of basmati, our results of operations and financial condition may be adversely affected.

19. ***Any failure to adhere to our standard operating procedures and have effective quality control systems at our processing plants will adversely affect the business, results of operations or financial condition of our Company.***

The quality of our product is critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures adopted by our Company at its processing plants. Any failure or deterioration of our quality control systems could adversely affect our business, results of operations and financial condition of our Company.

20. ***The cultivation of basmati paddy is seasonal in nature and is dependent upon monsoons.***

The cultivation of basmati paddy being seasonal in nature, the basmati rice industry is dependent on the harvest of basmati paddy. In India, production of basmati paddy is still very dependent upon favourable climatic conditions amongst other



factors. Unfavourable monsoon conditions will result in reduced production of basmati paddy and any shortfall in the production may adversely affect our business operations and financial performance. Further, farmers' currently growing basmati paddy may shift their resources and efforts towards the cultivation of other crops, which require less water, resulting in a decline in basmati paddy production. The aforementioned factors could impact the availability and current and future cost of basmati paddy. The future growth of our business is dependent upon our ability to procure quality basmati paddy at commercially viable prices. Our inability to procure desired quality of basmati paddy, in a timely manner or at all, and at competitive prices or our inability to pass an increase in the prices of basmati paddy on to our customers could adversely affect our operations and profitability.

21. ***Reduction in output due to pest attack and disease of the crop may impact our operations and profitability.***

We procure basmati paddy primarily from the states of Jammu and Kashmir, Punjab, Himachal Pradesh and Uttar Pradesh which might be affected by disease to the crop mainly caused by fungi, bacteria and viruses. Some of the diseases affecting the crops include sheath blight which is caused due to growth of fungus as result of humidity in the air, similarly leaf blight is a bacterial disease affecting the crops. The other reasons for the loss of crop are due to larvae and other insect infestation and rodent attack. Any loss of crop due pest attack or disease may affect the production of the crops in the respective state which may in turn impact our procurement of basmati paddy for our mills and consequently our business and profits.

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

We currently sell basmati rice in India under 59 brands, such as Sarveshwar, Unique, Ultra XL, etc. We depend on the strength of our brand name "Sarveshwar" to market and sell our product in India and internationally and believe that it is essential to our business and reputation. The success of our business, in part, depends on our ability to continue using the existing trademarks with respect to the "Sarveshwar" name in order to increase our presence in the basmati rice industry in India.

The "Sarveshwar" trademark is registered under various classes and we have made applications for other classes that are currently pending before the Trade Marks Registry at New Delhi. Although, we have either registered our trademarks or have applied for registration to ensure protection under the trademark protection regime in India, the United States of America, Canada, the European Union and the United Kingdom, the actions taken by us may be inadequate to prevent imitation of the "Sarveshwar" name, mark and concept by others. In particular, the registration of a trademark is a time-consuming process and there can be no assurance that any such registration will be granted to us. If we fail to register the appropriate trademarks, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to the "Sarveshwar" name could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, use of similar marks by other companies, entities and organizations may create confusion in the minds of our customers, dealers, distributors and suppliers and affect our reputation, which may have an adverse effect on our business and results of operations.

For more information, please refer to section titled "Government and Other Approvals" beginning on page 190 of this Red Herring Prospectus.

23. ***Our business faces the prospect of increased competition due to increased consolidation in the fragmented basmati rice sector, which may adversely affect our market share and business.***

We expect competition in the basmati rice sector to further intensify due to the pressures on basmati rice companies to expand and consolidate. Large and organized producers of basmati rice are typically more successful than smaller and fragmented producers due to the working capital requirements and lead time required to set up processing plants as well as the benefits that economies of scale bring to basmati paddy procurement, processing know-how, access to capital and client relationships. We expect competition from other Indian basmati rice producers to continue to intensify as they expand to take advantage of economies of scale. We also expect increased competition in the international markets from Pakistani basmati rice producers as Pakistani producers benefit from commercial recognition by the European Union and growth of the Rice Exporters Association of Pakistan. In addition, certain types of fragrant rice grown in Thailand and Vietnam also indirectly compete with basmati rice. Increased consolidation and organization among companies in the basmati rice market could significantly increase competition and adversely affect our market share and business.

24. ***Improper storage, processing and handling of paddy and rice may cause damage to our stock.***

Our inventory consists of basmati paddy and rice. We typically store our inventory in the warehouses either owned by us or leased. Our basmati warehousing operations include modern warehouses with pre-fabricated buildings and open storage yards capable of storing approximately 50,577 MT of paddy and approximately 27,447 MT of finished rice, as of



September 30, 2017. These large warehouses enable us to store basmati paddy for extended periods of time, which optimizes the maturing process and further improves the quality of our product. In the event the basmati paddy is not appropriately stored, handled and processed it may affect the moisture content and the quality of the basmati paddy and basmati rice, which would in turn have an adverse impact our business and financials. In addition, the occurrence of any accident, negligence or oversight in the storage process under sub-optimal conditions and/or for an extended period of time, may also affect the quality standards applicable to our products, which could give rise to possible rejection our products.

25. ***The loss or shutdown of operations at our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.***

Our processing facilities are subject to various operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Further, our results of operations are also dependent on the successful operation of our manufacturing facility. Long periods of business disruption could result in a loss of customers. Although, we take precautions to minimize the risk of any significant operational problems at our manufacturing facility, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our manufacturing facility, including due to any of the factors mentioned above.

Additionally, we depend upon our key suppliers and vendors to provide the necessary equipment and services that we will need for our continuing operations, as well as for any future expansion projects. We cannot assure you that we will be able to continue to obtain equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honour the contracts for their services. Our inability to continue to obtain equipment and enter into contracts with our vendors in a timely manner or at all could adversely affect our business and results of operations.

26. ***Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.***

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We believe that the extent of our insurance coverage is consistent with industry practice. Our significant insurance policies include standard fire and special insurance policy cover to insure our plant, machinery, building and stocks of paddy stored at the various godowns and warehouses. In addition to the above, we also maintain insurance coverage against losses occasioned by fire, electronic equipment policy, boiler and pressure plant policy, plate glass policy, machinery breakdown policy, etc. We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part, or in a timely manner. Further, we do not maintain third party liability, product liability or business interruption insurance, which would protect us from technical failures or other disruptions to our operations. In addition, a majority of our inventory consists of Basmati and non-Basmati paddy and rice. In the event our inventory is not appropriately stored or is affected by fires or natural disasters such as floods, storms or earthquakes, our inventory may be damaged or destroyed, which would adversely affect our results of operations. While, we maintain insurance against inventory loss, we cannot assure you that such insurance will be adequate to cover the entirety of all potential losses.

27. ***Our failure to obtain, maintain and renew regulatory approvals or permits required for our business may adversely affect our business and results of operations.***

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to section titled "Government and Other Approvals" beginning on page 190 of this Red Herring Prospectus. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

28. ***If we fail to comply with environmental laws and regulations or face environmental litigation, our results of operation may be adversely affected.***

Our processing, storage and power generation operations are subject to various national and state environmental laws and regulations. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.



Our operations generate a small amount of dust which is collected using suitably designed bag filters. The emission is as per the pollution board norms. Our operations presently do not involve discharge of effluents, however, we are subject to Indian laws and regulation concerning the discharge of effluent water and solid particulate matter during our processing operations. Further, we are required to obtain clearances and authorizations from government authorities for the collection, treatment, storage and disposal of hazardous waste. If the regulations to which we are subject change, we cannot assure you that we will at all times be in compliance with these regulatory requirements. Any violation of these regulations may result in fines, criminal sanctions, revocation of operating permits or shutdown of our facilities. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and our liabilities arising from the release of hazardous substances will not adversely affect our business, results of operations or financial condition.

29. ***We have registered negative cash flows from operational activities for year ended March 31, 2014.***

The cash flow from our operational activities was negative for the financial year ended March 31, 2014. Our net cash from operational activities was ₹(728.55) million as at March 31, 2014. We cannot assure you that we would be able to generate and/or maintain positive cash flows from various activities of our Company in the future. If we are unable to generate adequate cash flow from the activities of our Company, our financial condition and profitability could be adversely affected.

30. ***Our Company has entered into certain related party transactions and may continue to do so. Any such related party transaction may have an adverse effect on the business, financial condition and results of operations of our Company.***

Our Company has entered into related party transactions in ordinary course of its business at arm's length basis. We cannot assure you that any future related party transactions that would be entered into by our Company may be on favorable terms as against if such transactions would have been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on the business, results of operations and financial condition of our Company. For further details of related party transactions, please refer to Annexure XI titled "Restated Consolidated Summary Statement of Related Party Transactions" and Annexure XII titled "Restated Summary Statement of Related Party Transactions" in the section titled "Financial Information" beginning on page 142 of this Red Herring Prospectus.

31. ***Some of the properties used by our Company including our Registered Office are occupied by our Company on lease basis. Any termination of the lease(s) or our failure to renew the same in a favorable, timely manner, or at all, could adversely affect our activities.***

Some of the properties used by our Company including the Registered Office premises are owned/ possessed by our Promoter and few members of our Promoter Group viz. Mr. Suraj Parkash Gupta; Mr. Rohit Gupta; Ms. Radha Rani Gupta; and Ms. Pooja Gupta. While we have a formal arrangement for the occupancy of the registered office, in the event, we are unable to renew the lease agreement for registered office on favourable terms, it may not be able to continue to use these premises as the registered office, which may lead to disruption in the business and administrative operations of our Company having an adverse effect on the business, financial condition and results of operations of our Company.

32. ***Our Promoter, Director and certain of the members of our Promoter Group have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoter, Director and certain of the members of our Promoter Group may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoter, Director and certain members of our Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Further, our Promoter, Director and certain members of our Promoter Group may also be regarded as interested to the extent of lease rent being paid by our Company to them for leasing premises on which our Registered Office, processing facility Unit I (Seora) and certain other premises are located. We cannot assure you that our Promoter, Directors and our members of Promoter Group, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, please refer to section titled "Capital Structure"; and Our Promoter and Promoter Group" beginning on pages 60; and 136 respectively of this Red Herring Prospectus.

33. ***Our Promoter will continue to retain control over our Company after completion of the Issue, which will allow him to influence the outcome of matters submitted for approval of our shareholders.***



Our Promoter currently own 99.99% of our Equity Shares. Following the completion of the Issue, our Promoter will continue to hold majority shareholding of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholder's approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. We cannot assure you that our Promoter will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

34. ***We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.***

The success of our operations depends on maintaining a good relationship with our workforce. If our relationship with our employees deteriorates, we may experience work stoppages or reduced productivity that could adversely affect our business and results of operations. We procure basmati paddy based on conduct pre-harvest surveys through visual tests, and quality checks. Our success also depends on our ability to attract, hire, train and retain skilled agents who are experienced in procuring basmati paddy. We also depend on third parties for contract labourers. Although, we do not engage these contract labourers directly, it is possible under Indian law that we may be held responsible for wage payments to these labourers if their contractors default on payment. Any non-payment by contractors or such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

External Risks

35. ***Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.***

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and in the Indian economy. Any worldwide financial instability could also have a negative effect on the Indian economy. Accordingly, any significant financial disruption could have an adverse effect on our business, financial condition and results of operations.

36. ***International prices of rice depend on the global demand and supply position and politico-economic issues.***

The international prices of Basmati Rice are dependent on global and domestic demand for Basmati Rice. International politico-economic events further determine the increase or decline in domestic and international prices. For example, Iran imposed a ban by on import of rice due to imposition of sanctions by the United States of America. Uncertainty over use of currency by Iran for bilateral trade impacted India's basmati rice exports to Iran. In the event of any relaxation of the ban on import of rice by Iran and improvement of global and domestic demand for rice, the price of rice and sales including Basmati Rice are expected to increase.

37. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our operations and could constrain our ability to obtain financing on favourable terms and refinance existing indebtedness. In addition, we cannot assure you that required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business, financial condition and results of operations.

38. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Our business is subject to a significant number of state tax regimes and changes in legislations governing them, implementing them or the regulator enforcing them in any one of those jurisdictions could adversely affect our results of operations. The applicable categories of taxes and tax rates also vary significantly from state to state, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and



the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government or State Governments that affect our industry include GST, income tax and other taxes, duties or surcharges introduced from time to time and any adverse changes in any of the taxes levied by the Government or State Governments could adversely affect our competitive position and profitability. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The Goods and Services Tax ("**GST**") has been introduced and implemented on July 1, 2017 in the whole of India and on July 5, 2017 in the state of Jammu and Kashmir. GST is a unified and comprehensive indirect tax which would subsume the multiple indirect taxes currently levied by the central and state governments. India has adopted a dual model of GST. Therefore, under the GST regime, a tax called the Central Goods and Services Tax ("**CGST**") along with State Goods and Services Tax ("**SGST**") or Union Territory Goods and Services Tax ("**UTGST**") has been simultaneously levied on all intra-state supplies of goods and/or services at the rates specified in this regard. Further, Integrated Goods and Services Tax ("**IGST**") is levied on all supplies of goods and/or services made in the course of inter-State trade or commerce. Article 370 of the Constitution grants special autonomous status to the State of Jammu and Kashmir. However, the Parliament of India retains the power to make laws on defence, external affairs and communication-related matters of the state. This is one of the reasons why the Service Tax was levied to the whole of India since 1994 but not applicable to J&K. Nevertheless, the State of Jammu and Kashmir then passed the GST bill in their state assembly on July 5, 2017 stating that the two (2) laws viz. Central Goods and Services Tax (CGST) and Integrated Goods and Services Tax (IGST) are applicable to them. GST regime is an attempt to combine taxes and levies by the Central and State Governments into a unified rate structure.
- Further, the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences which may have an adverse tax impact on us.
- On November 8, 2016, the GoI withdrew the legal tender of the ₹500 and ₹1,000 denominations of bank notes. Pursuant to this currency demonetisation, these high denomination notes have no value and cannot be used for transactions or exchange purposes. These notes were replaced with a new series of bank notes of ₹500 and ₹2,000 denominations through banks. In an effort to monitor replacement of demonetized notes, the GoI had specified limits for exchange and withdrawal of currency all over India. The process of demonetization and replacement of these high denomination notes has significantly reduced the liquidity in the Indian economy being a cash-based economy. There was substantial impact on predominantly cash-based businesses and unorganised sectors in particular.

Uncertainty in the interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

39. ***Civil unrest, acts of violence including terrorism or war involving India or other countries could materially and adversely affect the financial markets and our business.***

Any major hostilities involving India especially regions of J&K or other countries or other acts of violence, including civil unrest or including acts of terrorism or similar events that are beyond our control, could have a material adverse effect on the Indian and/or global economies and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally. Such events could also potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has witnessed civil disturbance in recent years and it is possible that future civil unrest as well as other social, economic and political events in India could have a negative impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

40. ***Political instability and significant changes in Government policy could adversely affect economic conditions in India generally and our business in particular.***

Changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in and affecting India may have an adverse effect on our results of operations.



India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Government and that of the state governments in the Indian economy and their effect on producers, consumers, service providers and regulators has remained significant over the years. Both state and central governments have, in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive Governments have pursued policies of economic liberalisation, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Government and state governments in the Indian economy as producers, consumers and regulators has remained significant. There can be no assurance that the Government's past liberalization policies or political stability will continue in the future. Elimination or substantial change of such policies or the introduction of policies that negatively affect the basmati rice industry could have an adverse effect on our business. Any significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India generally and our business in particular.

41. ***Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

We propose to utilise the Net Proceeds for (i) part financing our long term working capital requirements; (ii) investment in subsidiary; and (iii) general corporate purposes. For further details of the proposed objects of the Issue, please refer to section titled "Objects of the Issue" beginning on page 69 of this Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation 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 change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

42. ***The requirements of being a listed company may strain our resources.***

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Equity Listing Agreements with the Stock Exchanges which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from other business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.



43. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business.***

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

44. ***The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

45. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares (including under ESOPs), convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur, may significantly affect the trading price of the Equity Shares.

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

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realized on the sale of equity shares held for more than twelve (12) months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of twelve (12) months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains.

47. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), 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 falls under any of the exceptions specified by the RBI, then the prior approval of RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further details, please refer to section titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 230 of this Red Herring Prospectus.

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

Our ability to pay dividends in the future will depend on a number of factors, including but not limited to the earnings, working capital requirements, contractual obligations, applicable legal restrictions and overall financial condition of our Company. We may decide to retain all of our Company's earnings to finance the development and expansion of our Company's business and therefore, our Company may not declare dividends on the Equity Shares. Any future determination as to the declaration and payment of dividend will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. For details of dividends paid by our Company in the past, please refer to section titled "Dividend Policy" beginning on page 141 of this Red Herring Prospectus.

Risks Related to the Issue

49. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

50. ***You will not be able to immediately sell any of the Equity Shares you purchase in this Issue on the Stock Exchanges.***

Under the SEBI (ICDR) Regulations, we are permitted to allot Equity Shares within four (4) Working Days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your book or dematerialized account with the Depository Participants until fifth (5) Working Days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized account and listing and trading permissions are received from the Stock Exchanges.

51. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMS through the Book Building Process. This price will be based on numerous factors, as described under section titled "Basis for Issue Price" beginning on page 75 of this Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price.

52. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

After the completion of the Issue, our Promoters and significant shareholders will own, directly and indirectly, approximately [●] % of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by



investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in the section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

53. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

54. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI (ICDR) Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (*in terms of quantity of Equity Shares or the Bid Amount*) at any stage after submitting a Bid. While our Company is required to complete Allotment pursuant to the Issue within four (4) Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes to Risk Factors

1. Public Issue of upto 6,467,200 equity shares of face value of ₹ 10 each ("**Equity Shares**") of Sarveshwar Foods Limited ("**Company**" or "**Issuer**") for cash at a price of [●] per equity share (including a share premium of ₹[●] per equity share) aggregating up to ₹[●] millions by the company (the "**Issue**"). The Issue comprises of upto 324,800 equity shares of face value ₹10 each for cash at a price of ₹[●] per Equity Share, aggregating ₹[●] millions which will be reserved for subscription by the Market Maker to the issue (the "**Market Maker Reservation Portion**"). The Issue less Market Maker Reservation Portion i.e. Issue of upto 6,142,400 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share, aggregating ₹[●] is hereinafter referred to as the "**Net Issue**". The Issue and the Net Issue will constitute 26.32% and 25% respectively of the post Issue paid-up equity share capital of our Company.
2. For six (6) months period ended September 30, 2017 and as at March 31, 2017 and March 31, 2016 our Company's net worth was ₹ 778.28 million, ₹701.42 million and ₹354.12 million respectively as per our Company's Restated Consolidated Financial Statements and ₹493.16 million, ₹461.58 million and ₹345.74 million respectively as per the Restated Standalone Financial Statements.
3. For six (6) months period ended September 30, 2017 and as at March 31, 2017 and March 31, 2016, the net asset value per Equity Share was ₹ 43.00, ₹38.75 and ₹39.13 respectively as per our Company's Restated Consolidated Financial Information and ₹27.25, ₹25.44 and ₹38.20 respectively as per our Restated Standalone Financial Information.
4. The average cost of acquisition of Equity Shares by Mr. Rohit Gupta is ₹5.00. For further details, please refer to section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amounts paid by each of our Promoters to acquire the Equity Shares.



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5. Our Company was originally incorporated as a private limited company on August 3, 2004, at Jammu and Kashmir, India under the Companies Act, 1956 in the name of Sarveshwar Overseas Private Limited vide Certificate of Incorporation dated August 3, 2004. Fresh Certificate of Incorporation dated April 13, 2010 was issued to the Company pursuant to change of name of our Company to Sarveshwar Organic Foods Private Limited. Subsequently, fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 29, 2010 was issued by RoC, Jammu and Kashmir. Pursuant to certificate of incorporation pursuant to change of name dated June 29, 2015 has changed to Sarveshwar Foods Limited.
 6. Our Company does not have any Group Entities as on the date of this Red Herring Prospectus.
 7. There has been no financing arrangement whereby our Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of filing of the Draft Red Herring Prospectus.
 8. For any complaints, information or clarifications pertaining to the Issue, investors may contact the BRLMS who has submitted the due diligence certificate to SEBI.



SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 18 and 172 Red Herring Prospectus.

Our Company falls under the Manufacturing Sector and further under the Food Processing Industry. The analysis of the Sector and Industry may be approached by analysing both, the domestic as well as the global markets. The broad view of our Industry shall consist of analysis of the Manufacturing Sector at the preface followed by the Food Processing Industry and specifically the Rice Sector.

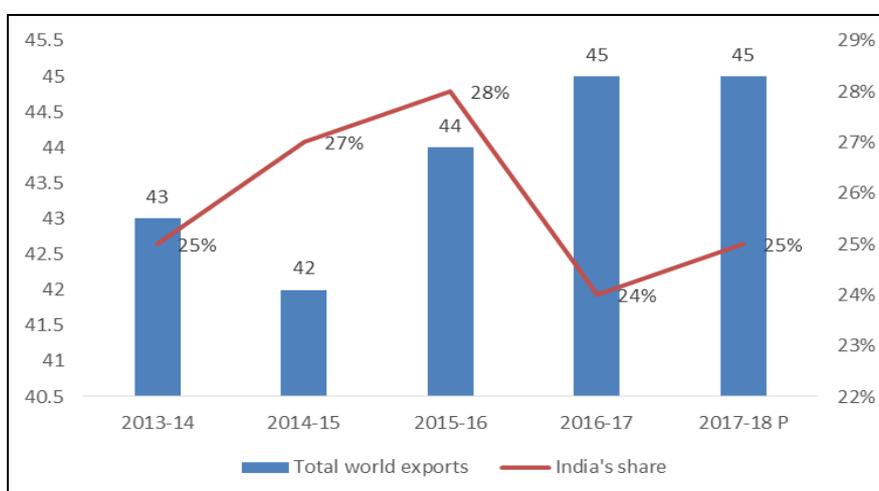
The Manufacturing sector comprises of various industries having numerous sub-classes or products, one being the “Food Processing Industry”, which in turn encompasses various components such as “Manufacturing and Processing of Rice”.

Background of Rice Manufacturing and Processing

Globally, basmati rice production forms around 1.5% of total rice production. India contributes 65-70%, with Pakistan accounting for the rest. As per a World Trade Organisation ruling, only certain varieties of rice grown in India and Pakistan can be labelled as basmati. Basmati rice is a long grain with a fine texture. It is one of the most expensive rice varieties in the world. It has strong aroma in raw and cooked forms, and its longer size differentiates it from non-basmati variants. The word basmati means the 'queen of fragrance' or the 'perfumed one'. The rice's perfumed, nut-like flavour and aroma are its innate characteristics, which get enhanced with age. Therefore, basmati rice, which is available in both white and brown forms, needs to be matured for at least 6-8 months to be marketable.

In spite of a fall in exports, India remained the largest exporter of rice in 2016-17 closely followed by Thailand and Vietnam. India is known for its Basmati rice which has high international demand especially in the USA and the gulf countries. Although the realizations for exports fell, the volumes remain relatively range bound in 2016-17

India's share in total exports (numbers in value terms)



(Source: USDA, Industry, CRISIL Research)

Global Economic Overview

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The

end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's —political carrying capacity for globalisation may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends— documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: *Economic Survey 2016-17* www.indiabudget.nic.in)

Outlook for 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government. As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

Manufacturing Sector in India

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

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

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.

- The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry. Page 112 of 327
- The Ministry of Defence, Government of India, approved the —Strategic Partnership model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors. With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017

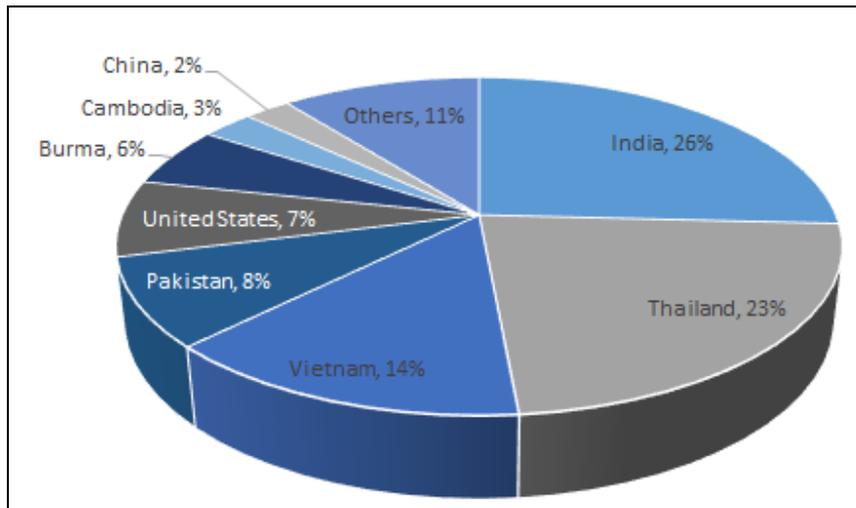
(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

Global Rice Industry

Top 10 rice-producing nations account for close to 75% of the output

Global rice production remains highly concentrated, with the top 10 rice-producing countries contributing close to 75% of the total production. In the crop year (July to June) of 2016-17 (CY16-17), the production rose 3% to 486.5 million tonne.

Share of major exporting countries (2016-17)



(Source: USDA, Industry, CRISIL Research)

Indian Rice Industry

Organised players have larger share in basmati rice segment

India is the world's second-largest producer and consumer of rice, after China. The Rs 3 trillion rice milling industry is highly fragmented with over 100,000 rice mills, divided into small, medium and large units, with small and medium enterprises (SMEs) comprising 99% of the total capacity and contributing to 89% of rice production.

However, the basmati rice segment is largely organised, with 60-70% of the production being managed by large players. The need for additional branding and marketing activities discourage SMEs from entering the basmati segment. Besides, it is important for the rice miller to be located close to a paddy-growing region to support paddy milling operations throughout the year.

Further, seasonality of the business impacts working capital requirement, which is volatile during the year. Organised players mainly focus on exports, and are most fully or partially integrated. They manage all the processes: from procurement of paddy, maturing and processing to packaging, branding, and distribution of basmati rice. Some companies also process by-products -- rice bran and husk -- to produce power and oil. Unorganised players lack expertise in procurement and access to high-end technology.

Growth drivers

Domestic

Population growth

India's population is currently more than 1.32 billion and is expected to grow at a 1.5% CAGR between 2017 and 2020. A growing population indicates a steady rise in domestic demand for rice, which is a staple food for the majority of Indians.

Growth in per-capita consumption and the shift towards packaged rice

A robust economy and rising income enable more people to opt for quality rice, especially the basmati variety, which is a premium product. In addition, people tend to adapt to changing lifestyles. A few factors, such as the increasing middle-class population, a spurt in organised retail and mall culture, and growth in hotels and restaurants, propel domestic demand for the basmati rice as well as other premium packaged rice varieties. In the near term, per-capita rice consumption is expected to grow at a 1% CAGR over the next two years, driven by higher per-capita income.

Exports

Favourable regulations

The government had lifted its ban on non-basmati rice exports in September 2011, after factoring in a record production, procurement and a comfortable stock position in the country. This has boosted non-basmati rice exports and helped India retain its leadership in the global rice exports in recent years.

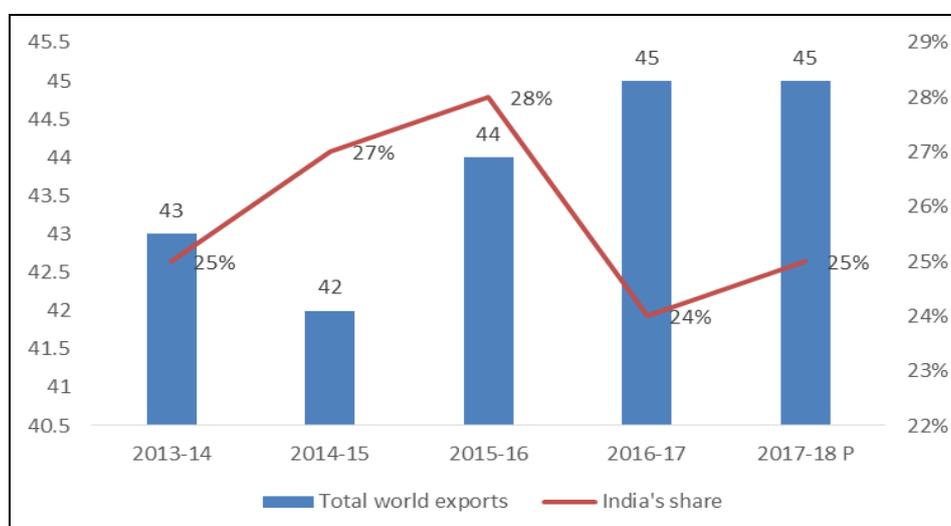
Price competitiveness and quality

India offers high-quality basmati and non-basmati rice at very competitive prices. The recent depreciation of the rupee has further enhanced the competitiveness of Indian rice in the international market.

India continues to remain the largest rice exporter

In spite of a fall in exports, India remained the largest exporter of rice in 2016-17 closely followed by Thailand and Vietnam. India is known for its Basmati rice which has high international demand especially in the USA and the gulf countries. Although the realizations for exports fell, the volumes remain relatively range bound in 2016-17

India's share in total exports (numbers in value terms)



(Source: USDA, Industry, CRISIL Research)



Key Success Factors

Strong brand identity

Strong brand positioning in both the domestic and global markets helps rice mills differentiate their products, attract customers, and build loyalty and trust. With big retail chains expanding their presence, there is greater brand awareness among consumers. A consumer prefers to buy an attractively packaged rice brand of a superior quality, instead of loose, unbranded rice. Unlike packaged rice, loose rice could expose consumers to risks of adulteration and price manipulation. For players, branded rice fetches higher margins than unbranded rice.

Larger distribution networks

Maintaining better relations with agents and customers helps players ensure a stronger distribution network and avoid high transportation costs. Wider distribution networks enable players to push their brands into wholesale and retail outlets faster and with greater ease, thereby giving them an edge over competitors.

Relationship with suppliers (farmers)

Paddy procurement alone constitutes 80-90% of the total cost for rice mills. Through mediators, players can ensure uninterrupted supply of paddy during the procurement season and, thus, reduce price risk. This also instills confidence in farmers, who desire such 'preferred buyers'. Additionally, rice mills can guarantee the supply of high-quality paddy, by offering advance payments and pedigreed seeds to farmers.

Presence across price segments and PAN-India presence

The ability to offer a number of rice varieties enables companies to be present across different price points and cater to a wider customer base. Similarly, it is important for players to have a pan-India presence to build a strong market position.

Diversified customer base

It is important for rice exporters to have a diversified customer base, in view of any potential political or e

Key Risks

Regulatory challenges

Any change on the policy front, such as a ban on rice exports or an increase in the minimum support price, affects rice mills.

Working capital intensity

The industry is highly working capital-intensive. Paddy has to be stored for a long time, as it is procured during the kharif season and then processed throughout the year. Moreover, the basmati rice has to be stored for 6-18 months for ageing. Companies could incur huge losses on mismanagement of working capital. Also, the majority of funds raised by players cater to working capital requirement.

Currency fluctuations

India competes with countries, such as Vietnam and Thailand, in the export market. Any significant appreciation of the rupee can lower the mills' profitability.

Use of obsolete technology

Use of traditional and obsolete processing technology could result in low-quality output, in the form of broken rice, discoloured rice or grains of uneven shape and size, as well as other impurities and wastes. Replacing obsolete machinery with modern equipment can mitigate this risk. In addition, running extensive and regular quality checks can ensure production of superior quality rice.

Vagaries of nature

Being an agricultural commodity, paddy is subject to risks, in the form of vagaries of nature. Paddy cultivation requires a large amount of water; unseasonal rain and floods could seriously threaten the crop

For further details, please refer to section titled "Our Industry" beginning on page 79 of this Red Herring Prospectus.



SUMMARY OF OUR BUSINESS

Business Overview

We are primarily engaged in the business of processing and marketing of branded and un-branded basmati and non-basmati rice in the domestic and international markets. Our operations are based out of the Jammu Region in the State of Jammu and Kashmir. The State of Jammu and Kashmir is divided into three (3) regions. Jammu Region consisting of ten (10) districts namely Jammu, Doda, Kathua, Ramban, Reasi, Kishtwar, Poonch, Rajouri, Udhampur and Samba. Kashmir Valley consisting of ten (10) districts namely Anantnag, Bandipora, Baramulla, Budgam, Ganderbal, Kulgam, Kupwara, Pulwama, Shopian and Srinagar. The third region is the Leh-Ladakh region towards the north-east areas of the state which are not affected by militancy. While, the regions that have been historically affected by militancy are the areas in the Kashmir Valley region of the State, however the other areas of the State like the Jammu and the Leh-Ladakh region have been largely peaceful, except for a few stray incidences, which have not affected their peace and law & order. Further, the geographical distance between Jammu and Kashmir Valley is more than 270 kms.

We believe we are one of the few Indian companies with a presence across the entire rice value chain, which includes procurement, storage, milling, sorting, packaging, branding and distribution. Our product portfolio comprises of Basmati and non-Basmati rice of various kinds including white raw rice, steam rice, broken rice, brown rice and parboiled rice. Along with the varied variety of conventional Basmati and non-Basmati rice, our product portfolio also includes organic Basmati and non-Basmati rice including range of other organic products.

Basmati rice is a premium variety of rice renowned for its flavour, fine texture, distinct aroma, elongation when cooked and which is grown in certain parts of India and Pakistan. Its high value is attributed to the rich soil and climate of the region giving it unique qualities such as strong aroma in both raw and cooked forms.

Besides conventional Basmati and non-Basmati rice, our Company has also forayed into procurement, storage, milling, sorting, packaging, branding and distribution of "Organic" Basmati and non-Basmati rice. Our "Organic" business also includes organic food products such as dry fruits and nuts, pulses, lentin, flours, porridge, spices, garam masalas and super foods like chia seeds, flax seeds, quinoa seeds, etc. Our Company markets and distributes these organic food products under its brand "Nimbark". Our Company has recently in May, 2017 launched its flagship retail store in the name of "Nimbark - Living the Satvik Way" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store viz. rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.

Whilst we procure Basmati and non-Basmati paddy from Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi, we primarily procure Basmati and non-Basmati paddy from the State of Jammu and Kashmir (J&K) which has diverse physiographic features, agro-climatic variations and existence of cold arid, temperate, inter-mediate and sub-tropical zones within the geographical area in J&K. We also have 125 procurement agents across India for procuring basmati and non-basmati paddy from "mandis", except J&K, where we procure basmati and non-basmati paddy directly from farmers due to non-existence of the mandis system. Furthermore, our Company has entered into arrangements with farmers for contract farming for basmati paddy which will enable our Company to closely monitor the quality of the inputs and further optimizing our procurement process.

We have procured 16,063 MT, 41,513 MT, 85,354 MT and 67,518 MT of Basmati and non-Basmati paddy for () months period ended September 30, 2017 and fiscal 2017, 2016, and 2015, respectively. Our "Organic" paddy procurement was 7643 MT, 8,318 MT, 3,286 MT, 3,105 MT and 2,266 MT for Six (6) months period ended September 30, 2017 and fiscal 2017, 2016, and 2015, respectively. We have various warehouses with the ability to store approximately 50,577 MT of Basmati and non-Basmati paddy at Unit I (Seora) and Unit II (SIDCO) as of September 30, 2017. We also have godowns for storage of 31,809 MT of finished rice.

We currently operate through two (2) rice milling and processing facilities i.e. at Seora (*Unit I*) and SIDCO (*Unit II*). Unit I at Seora comprises of one (1) plant i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice and Unit II at SIDCO comprises of two (2) plants i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice; and (ii) cleaning, polishing, grading and sorting facility for processing of Basmati rice from raw paddy. These processing units are registered with the U.S. Foods and Drug Administration, United States ("**USFDA**") and our Unit I at Seora complies with the requirements of ISO 22000: 2005 for food safety management systems. Both our processing facilities have received the British Retail Consortium ("**BRC**") certification for food safety. In addition, our processing facilities are also Hazard Analysis and Critical Control Point ("**HACCP**") accredited by the British Standards Institution.

We are present across all price points in the Basmati and non-Basmati rice markets viz. branded, unbranded and organic. We have an extensive distribution network which enable our products reach states in India like J&K, Delhi, Telangana, Andhra Pradesh and cities like Chennai, Pune. In the international markets, our products are sold and distributed in the USA, Europe and Middle East.



Most of our exports are bulk exports or sold under third party labels. In addition to selling Basmati and non-Basmati rice in Europe and USA under third party labels, we also export basmati and non-basmati rice (*both organic and conventional*) under our own brand "Sarveshwar" and "Nimbark". We have arrangements for distribution of Basmati and non-Basmati rice with cash and carry outlets like Walmart's "Best Price" outlets and the Shri Mata Vaishnodevi Shrine Board, a Hindu pilgrimage centre at Jammu.

We have established a research and development centre at our plant to ensure the procurement of quality rice paddy leading to higher yield on processing. We also have a dedicated quality assurance department which ensures that our products meet our customer quality specifications and international certification requirements.

As a part of our marketing strategy, we take part in various national and international trade fairs to promote our products in the national and international markets. We have in the recent past participated in the following trade fairs *viz.* Biofach, Nuremberg; Gulf Food Show, Dubai; Natural Products West Expo, Anaheim; Iran Food Show, Iran; SIAL Food Show, Paris; Biofach, Delhi; AYUSH Natural Show, Mumbai; Summer Fancy Food Show, USA.

We benefit from the experience of our Promoter who is actively involved in our operations, marketing, exports and customer relationship and has been instrumental in implementing our growth strategies. Mr. Rohit Gupta, who is also our Managing Director having over twenty (20) years of experience and is the third (3rd) generation in the family in the rice business.

For Six (6) months period ended September 30, 2017 and fiscal 2017, 2016 and 2015, our total revenues on consolidated basis were ₹ 2,594 million, ₹4,199 million, ₹3,552 million, and ₹2,625 million, respectively and net profit after tax as restated were ₹ 79.29 million, ₹129.64 million, ₹55.38 million, and ₹79.90 million, respectively. Out of the above, our export sales for six (6) months period ended September 30, 2017 and fiscal 2017, 2016, and 2015 were ₹204 million, ₹438 million, ₹642 million, and ₹761 million, respectively, and our domestic sales were ₹1,328 million, ₹3,741 million, ₹2,849 million, and ₹1,763 million, respectively.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Geographical Location

The State of Jammu and Kashmir (J&K) has diverse physiographic features, agro-climatic variations and existence of cold arid temperature, inter-mediate and sub-tropical zones within a small geographical area in J&K. Rice paddy and other crops are cultivated in the plateau regions of J&K and the plains near River Chenab flowing with snow melted water. Most farmers use ancient techniques to grow Basmati rice and use natural organic fertilizers. The climatic conditions of the State are ideal not only for conventional farming but also for organic farming. Whilst we procure Basmati and non-Basmati paddy from Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi, we primarily procure our organic Basmati and non-Basmati paddy from the State of Jammu and Kashmir.

2. Integrated Operations

We believe we are one of the few Indian companies with a presence across the entire basmati rice value chain, which includes procurement, storage, milling, sorting, packaging, branding and distribution. Such integration provides us with several competitive advantages and allows us to benefit from economies of scale, maintain greater control on the quality of our products, ensure smooth supply chain and inventory management. Further, our in-house quality assurance department and research team assists in conducting laboratory testing to determine the yield of the paddy and after-cooking characteristics of the basmati rice. Our procurement agents are educated to ensure that we secure the best suited basmati paddy for processing into high quality basmati rice.

Additionally, vertical integration allows us to use the entire Basmati paddy to increase revenue or reduce costs. Once processed, basmati paddy gets processed into basmati rice, bran and husk. In addition to selling whole grain basmati rice and broken basmati rice, respectively, we use the husk for producing steam in the boilers installed in our plants for rice processing. This eliminates the requirement of other sources like coal to produce steam in our processing plants. In addition to the internal use of husk, our Company sells husk and steam for industrial use around our plant for their power consumption requirements. We sell bran to edible oil extraction units and cattle feed without any processing.

3. Modern Equipment & Technology coupled with process innovations

Our Company operates through two (2) rice milling and processing facilities i.e. at Seora (*Unit I*) and SIDCO (*Unit II*). Unit II at SIDCO comprises of two (2) plants i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice;



and (ii) cleaning, polishing, grading and sorting facility for processing of Basmati rice from raw paddy. We have invested in modern technology viz. SKADA and equipment imported from recognised suppliers i.e. Buhler, Germany. We believe that our Company's milling and processing technology gives us a competitive edge over most of our competitors. Our processing technology offers high operational efficiency resulting in less percentage of broken rice and provides higher yield to our Company. Our technology, while ensuring that labour requirement is minimal, facilitates quick turnaround time to ensure production of a quality product with lower breakages and better sorting and grading of rice. While processing the basmati paddy, a substantial portion of the processed rice gets normally broken. We believe that our Company's high level of modernization, trained work force and managerial expertise results in a consistent high level of productivity.

4. ***Strong procurement capabilities for conventional and organic basmati paddy***

We have developed our procurement capabilities through the long-standing association of our promoter and management with the basmati rice business, resulting in widespread geographic reach and relationships with procurement agents and farmers. Our procurement capabilities include a presence in nine (9) procurement centers across approximately two (2) organized government monitored agricultural produce markets known as "*mandis*" except from J&K where we procure basmati paddy directly from farmers. We procure basmati paddy from J&K, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi. We further believe that we have sizeable procurement operations in these states as measured by volume of basmati paddy procured. We have procured 16063 MT, 41,513 MT, 85,354 MT and 67,518 MT of Basmati and non-Basmati paddy for Six (6) months period ended September 30, 2017 and the fiscal 2017, 2016, and 2015, respectively

As of September 30, 2017, we had relationships with approximately 132 procurement agents, or *pucca arityas*. Through this extensive network of procurement from *pucca arityas*, we believe we are able to procure basmati paddy at lower prices from *mandis* in villages in which many of our smaller competitors are not present. In addition, our management team, including our directors interfaces regularly with the procurement team enabling quick decision-making in the buying process.

We have also, developed strong relationships with basmati paddy farmers, for development and growth of our organic basmati rice business, by using advanced payments, upfront payments and consistent purchases to inspire the faith and confidence of these farmers, enabling us to procure consistent supply of quality organic basmati paddy at low prices during procurement season.

5. ***Access to more than 9000 hectares of organic land for procurement of organic basmati paddy and extensive warehousing capabilities.***

Our Company has developed strong relationships with Basmati paddy farmers including the farmers from whom we procure our organic Basmati paddy, for development and growth of our organic business, by using advanced payments, upfront payments and consistent purchases to inspire the faith and confidence of these farmers. We believe that we have maintained healthy relationship with our farmers, enabling us to procure consistent supply of quality organic basmati paddy at low prices during procurement season.

We also organize the willing farmers to form clusters; enroll them with APEDA; and train them in nutrient and disease management, adherence by the farmers of the standards of organic agricultural methods that are internationally set and regulated by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations. Our Company has facilitated and conducted various training programmes for the farmers to educate them the benefits of organic farming on the lands owned by them. We have been successful in conversion of more than 9000 hectares of conventional agricultural land into "Organic Farming" situated in the states of Jammu and Kashmir, Himachal Pradesh and Uttar Pradesh. These farmers have already been issued NPOP and NOP registrations, which are the technical standards of APEDA, India and the United States Department of Agriculture (USDA), respectively. NPOP standards are also compliant with the standards of organic farming in the European Union. We believe that these registrations provide us with competitive edge over other players in the Basmati rice industry and enable us to enhance our market share of our organic products. For the procurement of organic Basmati paddy, we strive to ensure the adherence by our farmers of the standards of IFOAM. Our "Organic" business activities are undertaken under our wholly owned subsidiary, Himalayan Bio Organic Foods Private Limited under our brand "Nimbark".

Our Company has also collaborated with the Department of Agriculture, Jammu and Kashmir for organic certification from Control Union Certification Private Limited, Netherlands. Furthermore, our Company has obtained registration from APEDA that certifies that an organic food product conforms to the National Standards of Organic Products which ensures that the product or the raw materials used in the product have been grown through organic farming.



6. *Focus on Processing and Quality Control*

We have a well-established quality control system that spans the procurement, processing and delivery of conventional as well as organic basmati rice. Prior to procuring basmati paddy, we conduct pre-harvest surveys through visual tests, and quality checks. After procurement, the basmati paddy is checked before loading and unloading into our transportation systems. Upon arrival of paddy at our facilities, the paddy is unloaded only upon checking its quality by our fully equipped modern laboratory. Further, our In Process Quality Control (IPQC) laboratory keeps a check throughout the rice production process. We conduct various quality control procedures, including internal tests and tests conducted by reputable Government and non-Government laboratories, such as container and lorry fumigation; complete testing at the port before loading and fumigation after loading, before our rice is exported to ensure that the customer's consignment meets the required quality standards. We age and grade the Basmati paddy and try and minimise the quantity of broken basmati rice during processing.

Our processing facilities are located on approximately 16.27 acres of land, being 6.11 acres at Seora (*Unit I*) and 11.11 acres at SIDCO (*Unit II*), in Jammu and Kashmir. Our processing facility at Seora operates under a food safety management system which complies with the requirements of ISO 22000:2005. Our Company is also registered with the U.S. foods and Drug Administration, United States ("*USFDA*"). Both our processing facilities have received the British Retail Consortium ("*BRC*") certification for food safety. In addition, our processing facilities are also Hazard Analysis and Critical Control Point ("*HACCP*") accredited by the British Standards Institution.

7. *Strong culture for research and development*

We are a research driven company with our R&D efforts focused on innovating and improving our processing methods. Research and development is critical to the success and growth of our business and operations. A considerable amount of research is required at every stage of our business. We have in-house laboratories to carry out various research and development activities which are fully equipped with advanced technologies and modern equipment. Our operations include research and development activities carried out to enhance the output of our Basmati and non-Basmati rice. We have set up our R&D facility at Unit II (SIDCO) with an experienced team of six (6) personnel as on September 30, 2017 which assists in conducting laboratory testing to determine the yield and after-cooking characteristics of the basmati rice we expect to eventually sell and liaises with our procurement agents to ensure that we secure basmati paddy best suited for processing into high quality basmati rice. We have and will continue to invest in R&D efforts for product development, productivity improvement and enhancing process efficiency.

8. *Experienced Management Team*

We benefit from the experience of our Promoter who is actively involved in our operations and has been instrumental in implementing our growth strategies. Our Promoter, together with our management team, have significant experience in the Basmati rice industry across the entire basmati rice value chain. Our Promoter is the third (3rd) generation in the family to be in the rice business. Mr. Suraj Parkash Gupta, who is also our Chairman, has over forty (40) years of rich experience in the basmati rice industry. He has been instrumental in forming our Company and the source of inspiration behind our Company's goals and ideals. Dr. Gayatri Tandon, who is the Executive Director of our Company has contributed to the development and growth of our organic farming and development of organic products.

Our Strategies

Our business objective is to grow our revenues and profits through increased and diverse product portfolio and thereby increasing our market presence. Our business strategy focuses on the following elements:

1. *Geographical expansion and presence of our branded products in the Indian market*

We currently sell basmati rice in J&K, Delhi, Telangana, Andhra Pradesh and cities like Chennai, Pune in India under our brand "Sarveshwar". We intend to continue to increase our penetration in the Indian market, essentially through our branded products. In addition, we intend to increase our presence in the Indian market by distributing our branded rice, both conventional and organic rice, in states such as Maharashtra, Gujarat, Rajasthan, Karnataka, Madhya Pradesh and Goa where we believe the demand for our Basmati, non-Basmati and organic products is high. We also intend to improve our distribution capabilities through periodic assessments of market developments. For example, we are actively pursuing additional tie-ups with retail chains.

We will try and capitalise on our reputation and experience in the basmati rice industry and intend to expand our retail distribution of our branded rice (*basmati, non-basmati and organic*) products and other organic products like dry fruits and nuts, pulses, lentin, flours, porridge, spices, garam masalas and super foods like chia seeds, flax seeds and quinoa seeds. In



addition to our retailing plans, we also propose to sell our products to retail chains or distributors, on a franchisee model, who in turn will sell it to the end customers. For this purpose, we have initiated brand building exercises to position ourselves as a strong brand in the Indian rice retail market. Our Company has recently in May, 2017 launched its flagship retail store in the name of "**Nimbark - Living the Satvik Way**" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store *viz.* rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.

2. ***Promote our brands in export and domestic markets***

We are focused on branding and in particular increasing our presence in the premium segment of the basmati, non-basmati and organic products in the high margin international markets *viz.* Middle East, Europe, USA and Africa. For our organic products we use the brand "Nimbark" and our brand "Sarveshwar" for Basmati and non-Basmati Rice. We believe that our brands "Sarveshwar" and "Nimbark" are one of the preferred brands for Basmati and non-Basmati rice in Jammu and Kashmir. As a part of our brand building exercise, we participate in various trade fairs around the world *viz.* Biofach, Nuremberg; Gulf Food Show, Dubai; Natural Products West Expo, Anaheim; Iran Food Show, Iran; SIAL Food Show, Paris; Biofach, Delhi; AYUSH Natural Show, Mumbai; Summer Fancy Food Show, USA. We also intend to continue to leverage our products and our long-term relationships and credentials with our international customers to further develop and strengthen our presence in the exports market. We believe that by increasing the share of our own brands for exports, we can increase the profit margins and improve the geographic reach of our exports. We intend to continue our expenditure on brand and brand promotion in future and put in place proper brand building strategies in line with the growth in various market segments. This will help us to maintain and improve our global and local ranking. We believe that our branding exercise will enhance the recall value in the minds of our customers and will help in increasing demand for our products.

3. ***Promote and market our organic products under the brand 'Nimbark'***

We believe that our organic Basmati and non-Basmati rice including other organic products *viz.* rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed, etc. marketed under the brand 'Nimbark' have large markets both domestic and international. We intend to focus our sales and marketing efforts to market and distribute our organic products in domestic market by making them available through various distribution channels, retail stores thereby increasing the visibility and market share of our organic products. We also intend to aggressively advertise and promote our brand 'Nimbark' and products through television, radio, web promotion and SMS marketing, hoardings at prominent places, advertisements in magazines and local newspapers, health magazines. Apart from marketing our services through traditional means, we also intend to market our products over the internet by various methods such as Search Engine Optimization (SEO), social media websites, online brand management, banner promotions on various popular websites, POP displays etc. We have also been participating in various exhibitions held at international level like Biofach, Nuremberg; Natural Products West Expo, Anaheim, etc. to promote and market our organic products. Our products under the 'Nimbark' brand are presently available at our retail store at Jammu, though we intend to make them available on a pan-India basis.

For further details, please refer to section titled "Our Business" beginning on page 96 of this Red Herring Prospectus.



SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the Restated Financial Statements for the financial years ended March 31, 2017, 2016, 2015, 2014, 2013 and for the six months period ended September 30, 2017 and are presented under section titled "Financial Statements" beginning on page 142 of this Red Herring Prospectus. The summary financial statements presented below should be read in conjunction with the Restated Financial Statements, the notes and annexures thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 177 of this Red Herring Prospectus.

Standalone Financials

Annexure I – Statement of Assets and Liabilities, as restated

(₹ In Millions)

Particulars	Notes No.	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
ASSETS							
Non-Current Assets							
Fixed assets							
Tangible assets	1	49.04	53.58	56.63	62.61	65.83	71.23
Capital work in progress		-	0.99	-	-	-	-
Non - current investments	2	149.00	148.50	148.50	153.80	116.45	39.69
Deferred Tax Assets (Net)		1.86	1.38	1.36	1.17	0.53	0.04
Other non - current assets	3	-	37.26	-	-	-	-
Total Non Current Assets		199.91	241.71	206.49	217.59	182.82	110.96
Current Assets							
Inventories	4	1,045.58	919.14	820.01	1,038.64	840.38	649.54
Trade receivables	5	587.00	392.02	385.60	143.35	122.73	22.02
Cash and cash equivalents	6	1.22	1.79	10.84	11.17	1.21	4.25
Other Current Assets	7	14.92	5.44	8.01	6.74	6.02	4.65
Total Current Assets		1,648.71	1,318.39	1,224.45	1,199.90	970.34	680.46
LIABILITIES							
Non-current Liabilities							
Long-term borrowings	8	-	-	-	-	60.00	77.12
Other long-term liabilities	9	2.05	11.08	3.80	11.60	0.48	0.63
Total Non Current Liabilities		2.05	11.08	3.80	11.60	60.49	77.75
Current Liabilities							
Trade payables	10	427.88	306.56	225.79	281.96	55.01	80.41
Short-term borrowings	11	834.09	741.13	840.36	809.52	807.98	479.18
Other current liabilities	12	11.44	23.83	13.71	17.15	6.82	2.06
Short term provisions	13	49.71	15.91	1.53	(2.06)	2.72	3.98
Total Current Liabilities		1,323.12	1,087.43	1,081.39	1,106.57	872.52	565.63
Minority Interest							
Net Worth Represented by							
Equity Share Capital	14	181.00	181.00	90.50	90.50	90.50	90.50
Preference Share Capital							
Share & Warrant Application Money Pending Allotment							
Reserves and Surplus	15	342.44	280.58	255.25	208.81	129.65	57.55
Net Worth		523.44	461.58	345.75	299.31	220.15	148.05



Annexure II – Statement Profit and Loss, as restated

(₹ In millions)

Particulars	Notes No.	Period ended 30.06.2017	Period ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
Revenue							
Revenue from Operations	16	1,290.30	2,076.03	1,606.88	1,382.37	1,183.90	232.24
Other Income	17	10.64	4.06	3.48	49.80	51.04	45.40
Total Revenue		1,300.94	2,080.08	1,610.36	1,432.17	1,234.94	277.64
Expenses							
Cost of Material Consumed	18	857.71	1,056.25	689.57	1,127.64	1,077.01	299.95
Purchases of Stock in Trade		427.47	790.86	90.07	200.73	20.01	22.91
Changes in Inventories of FG	19	(184.60)	(165.00)	468.02	(228.48)	(118.08)	(145.60)
Employee Benefit Expenses	20	10.06	24.84	25.64	17.15	16.04	4.00
Depreciation and Amortization	21	3.96	9.06	10.41	11.36	9.69	10.25
Finance Costs	22	37.15	81.90	85.76	67.11	64.84	15.56
Other Expenses	23	51.92	124.46	179.99	144.69	76.16	11.39
Loss on Sale of Assets							
Total Expenses		1,203.67	1,922.38	1,549.46	1,340.20	1,145.67	218.44
Profit before Tax		97.27	157.71	60.90	91.97	89.27	59.20
Tax Expenses							
Current Tax		33.80	42.43	14.06	12.96	15.25	4.31
Current Tax expenses relating to prior years		-	-	-	-	-	0.01
Net Current Tax Expense							
Deferred Tax		(0.13)	(0.42)	(0.60)	(0.72)	-	-
Tax of earlier years (MAT Credit Entitlement recognised)							
Profit/ (Loss) after tax as per Audited Accounts (A)		63.60	115.70	47.44	79.73	74.03	54.90
Impact of change in Accounting Policies and Estimates		-	1.95	1.48	0.25	(1.61)	0.01
Excess/ (short) Provision for Taxation		-	0.40	0.41	0.08	(0.50)	(0.04)
Total Impact of Adjustment		-	1.56	1.07	0.17	(1.11)	0.05
Total Adjustments net of tax impact (B)		-	1.56	1.07	0.17	(1.11)	0.05
Net Profit as Restated (A+B)		63.60	117.25	48.50	79.90	72.92	54.94
Prior Period Adjustments-Income tax		(1.73)	(1.42)	(2.07)	(0.73)	(0.82)	-
Surplus/(Deficit) brought forward from previous years		280.58	255.25	208.81	129.65	57.55	2.61
Balance available for appropriations, as restated		342.44	371.08	255.25	208.81	129.65	57.55
Appropriation							
Bonus Shares		-	90.50	-	-	-	-
Balance Carried forward as restated		342.44	280.58	255.25	208.81	129.65	57.55


Annexure III – Statement of Cash Flow, as restated
(₹ In Millions)

Particulars	Period ended 30.06.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
A Cash Flow from Operating Activities						
Net Profit Before tax	97.27	157.71	60.90	91.99	89.27	59.21
Adjustment for						
Depreciation & Amortization	3.96	9.06	10.41	11.36	9.69	10.25
Finance Costs	37.15	81.90	85.76	67.11	64.84	15.56
Foreign Exchange Gain/ (Loss)	1.22	0.97	1.30	(1.63)	5.74	0.37
Interest Income	0.01	0.12	0.29	0.27	0.30	0.21
Loss (Gain) on Sale of Fixed Assets	-	-	0.03	(0.03)	-	(0.13)
Share of Profit from Partnership Firm	-	-	-	38.93	32.20	40.12
Operating Profit/ (Loss) before Working Capital Changes	137.15	247.58	155.60	132.85	125.57	37.20
Adjustment for increase/ (decrease) in operating assets:						
Inventories	(126.44)	(99.13)	218.64	(198.26)	(190.84)	(647.91)
Trade Receivables	(194.97)	(6.43)	(242.24)	(20.62)	(100.72)	(21.94)
Other Current Assets	(10.52)	2.58	(1.28)	(0.72)	(1.37)	(1.74)
Adjustment for increase/ (decrease) in operating liabilities:						
Trade Payables	122.35	80.77	(56.17)	226.95	(25.40)	80.27
Other Current Liabilities	(11.43)	10.12	(3.44)	10.34	4.75	2.02
Short Term Borrowings	92.96	(99.23)	30.50	1.39	328.65	479.81
Cash Generated From Operations	9.09	136.26	101.60	151.93	140.65	(72.30)
Net Income Tax (Paid) / refunds	-	29.47	12.53	18.25	17.33	0.35
Net Cash from / (used in) Operating Activities (A)	9.09	106.79	89.07	133.68	123.33	(72.64)
B Cash Flow from Investing Activities						
Capital expenditure on Fixed Assets, including capital advances	0.52	5.05	3.17	8.14	5.92	72.01
Increase / (Decrease) in Investment	-	-	5.30	(37.35)	(76.76)	(0.94)
Proceeds from sale of fixed assets	-	-	0.10	0.05	0.03	0.33
Other Non Current Assets	36.76	(37.26)	-	-	-	-
Interest received	0.01	0.12	0.29	0.27	0.30	0.21
Share of profit from partnership firm	-	-	-	38.93	32.20	40.12
Amount paid/ (received) from partnership firms/ AOPs/ LLPs	-	-	-	-	-	36.16
Net Cash Flow from/(used in) Investing Activities (B)	36.25	(42.19)	2.52	(6.24)	(50.15)	(68.45)
C Cash Flow from Financing Activities						
Proceeds from Issue of Share Capital	-	-	-	-	-	90.00
Proceeds from Long Term Borrowing	-	-	-	-	-	69.73
Proceeds from Other Long-term Liabilities	9.98	7.28	-	11.27	-	-
Repayment of Long Term Borrowing	-	-	-	60.01	17.11	-
Repayment of Long Term Liabilities	-	-	7.47	-	-	-
Finance Charges	37.15	81.90	85.76	67.11	64.85	15.56
Foreign Exchange Gain/ (Loss)	1.22	0.97	1.30	(1.63)	5.74	0.37
Net Cash Flow from/ (used in) Financing Activities (C)	(45.91)	(73.66)	(91.93)	(117.47)	(76.22)	144.54
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(0.57)	(9.05)	(0.33)	9.96	(3.04)	3.44



Cash & Cash Equivalents at beginning of the year	1.79	10.84	11.17	1.21	4.25	0.81
Cash & Cash Equivalents at end of the year	1.22	1.79	10.84	11.17	1.21	4.25
Components of Cash & Cash Equivalent						
Cash in Hand	0.57	0.43	10.20	7.98	0.61	3.57
Cash/ Bank Balance with Bank (Current Account)	0.65	1.36	0.63	3.19	0.60	0.68
CASH AND CASH EQUIVALENTS	1.22	1.79	10.84	11.17	1.21	4.25



Consolidated Financials

Annexure I: Statement of Assets and Liabilities, as restated

(₹ In Millions)

Particulars	Notes No.	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
ASSETS							
Non-Current Assets							
Fixed assets							
Tangible assets	1	245.19	253.21	272.57	297.76	253.09	262.29
Capital work in progress		-	0.99	-	-	-	-
Non - current investments	2	-	-	-	0.62	0.60	0.94
Deferred Tax Assets (Net)		3.29	2.81	2.29	(2.28)	(1.08)	0.04
Other non - current assets	3	-	82.00	-	-	-	-
Total Non Current Assets		248.48	339.01	274.86	296.10	252.61	263.27
Current Assets							
Inventories	4	2,335.02	2,237.11	1,590.65	2,310.17	1,614.70	1,169.52
Trade receivables	5	1,493.64	659.57	853.78	218.90	242.49	105.31
Cash and cash equivalents	6	5.85	2.39	14.97	14.14	5.84	5.45
Other Current Assets	7	47.51	13.82	14.31	25.36	18.46	8.62
Total Current Assets		3,882.02	2,912.88	2,473.71	2,568.57	1,881.50	1,288.90
LIABILITIES							
Non-current Liabilities							
Long-term borrowings	8	13.34	34.54	302.06	157.12	201.99	249.44
Other long-term liabilities	9	1.10	21.42	9.45	255.61	97.24	123.50
Total Non Current Liabilities		14.44	55.97	311.51	412.73	299.22	372.94
Current Liabilities							
Trade payables	10	1,174.54	627.04	325.58	452.76	115.50	126.60
Short-term borrowings	11	2,041.55	1,753.73	1,684.61	1,681.50	1,488.35	896.61
Other current liabilities	12	59.07	93.52	68.34	19.64	8.18	3.99
Short term provisions	13	60.19	18.48	4.17	-	2.72	3.98
Total Current Liabilities		3,335.35	2,492.78	2,082.70	2,153.90	1,614.75	1,031.18
Minority Interest		1.81	1.69	1.57	-	-	-
Net Worth Represented by							
Equity Share Capital	14	181.00	181.00	90.50	90.50	90.50	90.50
Preference Share Capital		220.00	220.00	-	-	-	-
Share & Warrant Application Money Pending Allotment							
Reserves and Surplus	15	377.91	300.45	262.30	207.53	129.65	57.56
Net Worth		778.92	701.45	352.80	298.03	220.15	148.06



Annexure-II Statement Profit and Loss, as restated

(₹ In Millions)

Particulars	Notes No.	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
Revenue							
Revenue from Operations	16	2,571.05	4,178.45	3,544.19	2,593.09	2,376.25	1,022.07
Other Income	17	22.84	20.44	7.75	31.93	37.48	8.58
Total Revenue		2,593.89	4,198.89	3,551.94	2,625.02	2,413.73	1,030.65
Expenses							
Cost of Material Consumed	18	1,428.82	2,491.07	1,616.51	2,187.97	2,096.49	1,206.92
Purchases of Stock in Trade		1,058.08	1,789.66	410.16	294.11	210.92	62.99
Changes in Inventories of FG & WIP	19	(231.45)	(702.99)	899.39	(482.28)	(353.03)	(467.90)
Employee Benefit Expenses	20	41.64	77.50	90.93	60.18	39.78	16.69
Depreciation and Amortization	1	11.96	27.06	36.96	33.14	28.30	28.42
Finance Costs	21	101.26	188.51	204.39	175.40	138.85	70.71
Other Expenses	22	62.84	151.84	224.10	255.97	154.78	53.61
Total Expenses		2,473.15	4,022.65	3,482.43	2,524.49	2,316.09	971.44
Profit before Tax		120.74	176.24	69.51	100.53	97.64	59.21
Tax Expenses							
Current Tax		41.71	48.93	16.72	21.52	23.61	4.30
Current Tax expenses relating to prior years		-	-	-	-	-	0.01
Net Current Tax Expense		41.71	48.93	16.72	21.52	23.61	4.31
Deferred Tax		(0.26)	(0.78)	(1.52)	(0.72)	-	-
Profit/ (Loss) after tax as per Audited Accounts (A)		79.29	128.09	54.31	79.73	74.03	54.90
Impact of change in Accounting Policies and Estimates		-	1.95	1.48	0.25	(1.61)	0.01
Excess/ (short) Provision for Taxation		-	0.40	0.41	0.08	(0.50)	(0.04)
Total Impact of Adjustment		-	1.56	1.07	0.17	(1.11)	0.05
Total Adjustments net of tax impact (B)		-	1.56	1.07	0.17	(1.11)	0.05
Net Profit as Restated (A+B)		79.29	129.64	55.38	79.90	72.92	54.95
Minority Interest		(0.12)	(0.12)	(0.07)	-	-	-
Prior Period Adjustments-Income tax		(1.72)	(0.87)	(0.54)	(2.01)	(0.82)	0.01
Net Restated Profit for the year		77.45	128.65	54.77	77.89	72.09	54.95
Surplus/(Deficit) brought forward from previous years		300.45	262.30	207.53	129.65	57.56	2.61
Balance available for appropriations, as restated		377.91	390.95	262.30	207.53	129.65	57.56
Appropriation							
Bonus Shares		-	90.50	-	-	-	-
Balance Carried forward as restated		377.91	300.45	262.30	207.53	129.65	57.56



Annexure: III Statement of Cash Flow, as restated

(₹ In Millions)

Particulars	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
A] Cash Flow from Operating Activities						
Net Profit Before tax	120.74	176.24	69.51	100.53	97.64	59.21
Adjustment for						
Depreciation & Amortization	11.96	25.11	31.08	32.90	29.91	21.55
Finance Costs	101.05	187.27	198.65	171.60	138.86	70.71
Foreign Exchange Gain/ (Loss)	1.50	2.81	1.30	0.05	18.94	0.62
Interest Income	0.22	0.55	0.70	0.65	0.64	0.57
Loss (Gain) on Sale of Fixed Assets	-	-	0.03	(0.03)	-	(0.13)
Operating Profit/ (Loss) before Working Capital Changes	232.03	385.27	297.28	304.29	245.29	150.15
Adjustment for increase/ (decrease) in operating assets:						
Inventories	(97.91)	(646.46)	719.53	(695.47)	(445.18)	(955.87)
Trade Receivables	(834.08)	191.04	(634.88)	23.59	(137.18)	(100.56)
Other Current Assets	(34.73)	0.49	8.98	(4.83)	(9.84)	12.72
Adjustment for increase/ (decrease) in operating liabilities:						
Trade Payables	548.53	304.63	(127.18)	337.26	(11.10)	99.60
Other Current Liabilities	(34.45)	25.18	48.69	11.47	4.19	3.79
Short Term Borrowings	287.82	69.12	3.11	193.14	591.75	780.58
Short Term Provisions	-	-	(151.65)	70.55	53.97	27.13
Cash Generated From Operations	67.21	329.29	163.88	240.01	291.89	17.54
Net Income Tax (Paid) / refunds	-	35.25	12.55	18.25	17.33	0.35
Net Cash from / (used in) Operating Activities (A)	67.21	364.54	176.43	258.26	309.22	17.88
B] Cash Flow from Investing Activities						
Capital expenditure on Fixed Assets, including capital advances	4.89	7.12	9.49	75.49	19.14	112.31
Increase / (Decrease) in Investment	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	0.10	0.05	0.03	0.33
Other Non Current Assets	82.00	(82.00)	-	-	-	-
Interest received	0.22	0.55	0.70	0.65	0.64	0.57
Share of profit from partnership firm	-	-	-	-	-	(36.16)
Amount paid/ (received) from partnership firms/ AOPs/ LLPs	-	-	-	-	-	-
Net Cash Flow from/(used in) Investing Activities (B)	77.33	(88.57)	(8.70)	(74.79)	(18.47)	(147.57)
C] Cash Flow from Financing Activities						
Proceeds from Issue of Share Capital	-	220.00	155.30	(84.83)	(117.32)	46.35
Proceeds from Long Term Borrowing	-	-	144.94	15.14	(30.34)	103.63
Proceeds from Other Long-term Liabilities	(41.53)	11.98	(246.16)	123.62	(3.13)	14.75
Repayment of Long Term Borrowing	-	-	-	(60.00)	(17.11)	-
Repayment of Long Term Liabilities	-	(267.52)	-	-	-	-
Finance Charges	(101.05)	(187.27)	(198.65)	(171.60)	(138.86)	(70.71)
Foreign Exchange Gain/ (Loss)	1.51	2.81	1.30	0.05	18.94	0.62
Net Cash Flow from/ (used in) Financing Activities (C)	(141.07)	(220.00)	(143.27)	(177.62)	(287.83)	94.64
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	3.46	(12.59)	0.83	8.30	0.39	4.39



Cash & Cash Equivalents at beginning of the year	2.39	14.97	14.14	5.84	5.45	1.06
Cash & Cash Equivalents at end of the year	5.85	2.39	14.97	14.14	5.84	5.45
Components of Cash & Cash Equivalent						
Cash in Hand	1.38	0.85	14.06	10.35	2.15	4.77
Cash/ Bank Balance with Bank (Current Account)	4.47	1.53	0.92	3.79	3.69	0.68
CASH AND CASH EQUIVALENTS	5.85	2.39	14.97	14.14	5.84	5.45



THE ISSUE

The following is the summary of the Issue.

Issue of Equity Shares	Up to 6,467,200 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] million.
<i>Out of which:</i>	
Market Maker Reservation Portion	Up to 324,800 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] million.
Net Issue to the Public	Up to 6,142,400 Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] million.
<i>Out of which:</i>	
Retail Portion	30,72,000 Equity Shares constituting 50 % of the Net Issue
Non-Retail Portion	30,70,400 Equity Shares constituting 50 % of the Net Issue
Pre and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	18,100,000 Equity Shares of ₹10 each
Equity Shares outstanding after the Issue	24,565,600 Equity Shares of ₹10 each
Objects of the Issue	Please refer to the section titled "Objects of the Issue" beginning on page 69 of this Red Herring Prospectus.

- (1) *This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. For further details, please refer to section titled "Issue Related Information" beginning on page 208 of this Red Herring Prospectus.*
- (2) *The present issue has been authorised by our Board by way of resolution passed at its meeting held on June 19, 2017 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM held on July 13, 2017.*



GENERAL INFORMATION

Our Company was originally incorporated as a private limited company, at Jammu and Kashmir, India under the Companies Act, 1956 in the name of Sarveshwar Overseas Private Limited vide Certificate of Incorporation dated August 3, 2004. Fresh Certificate of Incorporation dated April 13, 2010 was issued to the Company pursuant to change of name of our Company to Sarveshwar Organic Foods Private Limited. Subsequently, fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 29, 2010 was issued by RoC, Jammu and Kashmir. Further, the name of our Company was changed to Sarveshwar Foods Limited pursuant to which our Company has received a fresh Certificate of Incorporation dated June 29, 2015. For details of changes in name and registered offices of our Company, please refer to the section titled "History and Certain Corporate matters" beginning on page 115 of this Red Herring Prospectus.

Registered Office of our Company

Sarveshwar Foods Limited

Sarveshwar House, below Gummat
Jammu 180 001, Jammu and Kashmir, India.
Telephone: +91 191 2547391
CIN: U15312JK2004PLC002444
Website: www.sarveshwarrice.com
Email id: investorrelations@sarveshwarrice.com

Designated Stock Exchange

Emerge Platform of National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India.

Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, Jammu and Kashmir, located at Hall Nos. 405 to 408 Bahu Plaza, South Block, Rail Head Complex Jammu 180012, Jammu and Kashmir, India.

Board of Directors

Our Company's board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Suraj Parkash Gupta Honorary Chairman DIN No: 02715272	77 years	119 A, Canal Road, Jammu 180001, Jammu and Kashmir, India.
Mr. Rohit Gupta Managing Director DIN No: 02715232	48 years	119 A, Canal Road, Jammu 180001, Jammu and Kashmir, India.
Mr. Anil Kumar Executive Director DIN No: 07417538	40 years	Shiva Colony, Traith More, Bari Brahmana, Samba, Jammu 181133, Jammu and Kashmir, India.
Dr. Gayatri Tandon Executive Director DIN No: 07417422	41 years	H.No102/2, Shiv Nagar, Talab, Tillo, Jammu 180001, Jammu and Kashmir, India.
Mr. Thyagarajan Kumaran Independent Director DIN No: 07465316	62 years	Flat No 1B, Jamals, 48, Rangarajapuram main road, Kodambakkam, Chennai 600024, India.
Dr. Tej Partap Independent Director DIN No: 07818713	65 years	H.No.-91, Ward No.-03, Near Raghunathpur Temple, Kullu 175 101, Himachal Pradesh, India.



Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Jagdish Lal Sharma Independent Director DIN No: 07874555	62 years	H. No. 107, Lane No. 10, Greater Kailash, Jammu 180011, India

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Ms. Prabhdeep Kour

Sarveshwar House, below Gummat
Jammu 180 001, Jammu and Kashmir, India.

Telephone: +91 191 2547391

Email id: investorrelations@sarveshwarrice.com

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post- Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account, or Refund Orders.

Chief Financial Officer of our Company

Our Company has appointed Mr. Deepak Singhvi, as the Chief Financial Officer. His contact details are set forth hereunder:

Sarveshwar House, below Gummat
Jammu 180 001, Jammu and Kashmir, India.

Telephone: +91 191 2547391

Email id: investorrelations@sarveshwarrice.com

Book Running Lead Managers

Keynote Corporate Services Limited

The Ruby, 9th Floor
Senapati Bapat Marg, Dadar (West)
Mumbai 400 028, India.

Telephone: +91 22 3026 6000

Facsimile: +91 22 3026 6088

Email: mbd@keynoteindia.net

Investor grievance email: info@keynoteindia.net

Contact Person: Mr. Akhil Mohod

Website: www.keynoteindia.net

SEBI Registration Number: INM000003606

Small Industrial Development Bank Of India

SIDBI, MSME Development Centre
Plot No. C-11, 'G' Block, BKC, Bandra (East)
Mumbai 400 051, India.

Telephone: +91 22 6753 1100

Facsimile: +91 22 6753 1236

Email: equity@sidbi.com

Investor grievance email: merchantbanking@sidbi.in

Contact Person: Mr. Suresh Kumar Rai

Website: www.sidbi.net

SEBI Registration Number: INM000012086

Indian Overseas Bank

763, Anna Salai
Chennai 600 002,
India.

Telephone: +91 22 2262 2017

Email: iob2928@iob.in

Investor grievance email: mbdregu@iobnet.co.in

Contact Person: Mr. S. Muralidharan

Website: www.iob.in

SEBI Registration Number: INM000001386

Asit C. Mehta Investment Intermediates Limited

Nucleus House, Saki vihar road
Andheri (East), Mumbai – 400 072

Telephone: +91 22 2858 3038

Facsimile: +91 22 2857 7894

Email: purvi.ambani@acm.co.in

Investor grievance email: investorgrievance@acm.co.in

Contact Person: Ms. Purvi Ambani

Website: www.investmentz.com

SEBI Registration Number: INM000010973



Legal Counsel to the Issue	Advisor to the Company
Desai & Diwanji Advocates & Solicitors Lentin Chambers, Dalal Street Fort, Mumbai 400 001, India. Telephone: +91 22 3984 1000 Facsimile: +91 22 2265 8245 Contact Person: Ms. Praachi Doshi	CKP Financial Services Private Limited 906, Jay Antariksh 13/14, Makawana Road, Marol Naka, Marol, Andheri East, Mumbai- 400 059 Telephone: +91 9322997964 Email: brijesh.parekh@financialservices.com Contact Person: Mr. Brijesh Parekh/ Ms. Janvi Talajia

Registrar to the Issue	Statutory Auditors	Banker to the Issue
Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East) Mumbai 400059, India. Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: ipo@bigshareonline.com Investor grievance email: investor@bigshareonline.com Contact Person: Mr. Ashok Shetty Website: www.bigshareonline.com SEBI Registration Number: INR000001385	M/s. K R A & Co., Chartered Accountants H-1/208, Garg Tower, Netaji Subhash Place, Pitampura New Delhi-110 034 Telephone: +011 4708 2855 Facsimile: +011 4708 2855 E-mail: rajat@kra.co.in Contact Person: Mr. Rajat Goyal Firm Registration No.: 020266N Membership No.: 503150 Peer Review Certificate No.: 008384	HDFC Bank Limited FIG –OPS Department Lodha – I Think Techno Campus O 3 Level Next to Kanjurmarg Station Mumbai 400042, India. Telephone: +91 22 30752927 / 28 / 14 Facsimile: +91 22 25799801 Email: siddharth.jadhav@hdfcbank.com / Vincent.dsouza@hdfcbank.com Contact Person: Mr. Siddharth Jadhav / Mr. Vincent Dsouza

Syndicate Members to the Issue	
Keynote Capitals Limited The Ruby, 9 th Floor Senapati Bapat Marg, Dadar (West) Mumbai 400 028, India. Telephone: +91 22 3026 6000 Facsimile: +91 22 3026 6088 Email: kcl@keynoteindia.net Contact Person: Mr. Rakesh Choudhari	Asit C. Mehta Investment Intermediates Limited Nucleus House, Saki vihar road Andheri (East), Mumbai – 400 072 Telephone: +91 22 2858 3038 Facsimile: +91 22 2857 7894 Email: purvi.ambani@acm.co.in Investor grievance email: investorgrievance@acm.co.in Contact Person: Ms. Purvi Ambani

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the BRLMS, 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.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Bankers to our Company		
The Jammu & Kashmir Bank Limited SIDCO, Bari Brahmana Jammu 181133, Jammu and Kashmir, India. Telephone: +91 192 322 0245 E-mail: estate@jkbmail.com Contact Person: Mr. Ashish Jamwal Website: www.jkbank.com	State Bank of Patiala Near Swarna Theatre, Gandhinagar Jammu 180004, Jammu and Kashmir, India. Telephone: +91 191 243 3201 E-mail: b5282@sbp.co.in Contact Person: Mr. Bupinder Singh Website: www.sbp.co.in	HDFC Bank Building #5, Rajiv Colony, Bari Brahmana Samba, Jammu 181133, Jammu and Kashmir, India. Telephone: +91 941 9252179 E-mail: ankush.mahajan@hdfcbank.co.in Contact Person: Mr. Ankush Mahajan Website: www.hdfcbank.co.in



Statement of *inter se* allocation of Responsibilities for the Issue

No.	Activity	Responsibility	Coordinator
a.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Keynote	Keynote
b.	Drafting and design of the offer document and of the advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the offer document.	Keynote	Keynote
c.	Selection of various agencies connected with issue, such as registrars to the issue, printers, advertising agencies, etc.	Keynote	Keynote
d.	Marketing of the issue, which shall cover, <i>inter alia</i> , formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres for holding conferences of stock brokers, investors, etc., (iii) bankers to the issue, (iv) collection centres as per schedule III, (v) brokers to the issue, and (vi) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure and deciding upon the quantum of issue material.	Keynote SIDBI IOB Asit C. Mehta	Keynote
e.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, despatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc. Ordinarily, one lead merchant banker shall be responsible for the post-issue activities.	Keynote SIDBI IOB Asit C. Mehta	Keynote

Self Certified Syndicate Banks (SCSBs)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at www.nseindia.com, as updated from time to time.

Registrar to the Issue and Share Transfer Agents

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at www.nseindia.com, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at www.nseindia.com, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts

Our Company has received written consent from the Statutory Auditors namely, M/s. K R A & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and the Restated Consolidated Financial Statements, each dated December 10,



2017 and the Statement of Tax Benefits dated December 10, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent from CRISIL to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 in respect to the industry report, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Brokers to the Issue

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

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

IPO Grading

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

Monitoring Agency

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, since the size of the present Issue is less than ₹5,000 million, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Although in terms of the Securities Listing Regulations, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Withdrawal of the Issue

Our Company in consultation with the Lead Managers, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within two (2) 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 BRLMS, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft 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 approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.



Underwriting

The Issue is 100% underwritten by the BRLMS in their capacity of Underwriter to the issue. Pursuant to the terms of the Underwriting Agreement dated February 02, 2018 entered into by us with Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters are registered with SEBI as Merchant Bankers or registered as brokers with the stock exchange. The Details of the Underwriting commitments are as under:

(₹ in Millions)

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten**	% of the total Issue size Underwritten
Keynote Corporate Services Limited The Ruby, 9 th Floor Senapati Bapat Marg, Dadar (West) Mumbai 400 028, India. Telephone: +91 22 3026 6000 Facsimile: +91 22 3026 6088 Email: mbd@keynoteindia.net Investor grievance email: info@keynoteindia.net Contact Person: Mr. Akhil Mohod Website: www.keynoteindia.net SEBI Registration Number: INM 000003606	17,69,410	[●]	27.36
Small Industrial Development Bank Of India SIDBI, MSME Development Centre Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051, India. Telephone: +91 22 6753 1100 Facsimile: +91 22 6753 1236 Email: equity@sidbi.com Investor grievance email: merchantbanking@sidbi.in Contact Person: Mr. Suresh Kumar Rai Website: www.sidbi.net SEBI Registration Number: INM000012086	17,60,000	[●]	27.21
Indian Overseas Bank 763, Anna Salai Chennai 600 002, India. Telephone: +91 22 2262 2017 Email: iob2928@iob.in Investor grievance email: mbdregu@iobnet.co.in Contact Person: P Jayakumar/ A. Nagappan- MBD Chennai S. Muralidharan-Mumbai Website: www.iob.in SEBI Registration Number: INM000001386	17,64,705	[●]	27.29
Asit C. Mehta Investment Intermediates Limited Nucleus House, Saki vihar road Andheri (East), Mumbai – 400 072 Telephone: +91 22 2262 2017 Facsimile: +91 22 2857 7894 Email: purvi.ambani@acm.co.in Investor grievance email: investorgrievance@acm.co.in Contact Person: Purvi R. Ambani Website: www.investmentz.com SEBI Registration Number: INM000010973	11,73,085	[●]	18.14



***Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.*

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

Details of Market Making Arrangement for the Issue

Our Company has entered into Market Making Agreement dated February 02, 2018 with the following Market Maker to fulfill the obligations of Market Making for this issue:

Name	Keynote Capitals Limited
Correspondence Address:	The Ruby, 9th Floor (West), Mumbai – 400028
Tel No.:	+91-22- 30266000-3
Fax No.:	+91-22- 3026 6088
E-mail:	kcl@keynoteindia.net
Website:	www.keynoteindia.net
Contact Person:	Mr. Rakesh Choudhari

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by the NSE and SEBI regarding this matter.

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

1. The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (*individually or jointly*) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 3,24,800 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing two (2) way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the 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.
8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. 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.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of



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

11. Risk containment measures and monitoring for Market Makers:

NSE SME Exchange 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.

12. Price Band and Spreads:

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the NSE SME Exchange/ Platform.

No.	Market Price Slab (In ₹)	Proposed spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

13. Punitive Action in case of default by Market Makers:

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

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

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%



15. 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.

16. **Book Building Process**

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid-cum-Application Forms. The Price Band, the Bid lot size for the issue will be decided by our company and in consultation with the BRLMS, which would be announced at least five (5) Working Days before the opening of the Bid/Issue. The Issue Price shall be determined by our Company, in consultation with the BRLMS, in accordance with the Book Building Process, after the Bid/ Issue Closing Date.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please refer to section titled "Issue Procedure – Part B – Basis of Allocation – Illustration of Book Building Process and Price Discovery Process" beginning on page 241 of this Red Herring Prospectus.



CAPITAL STRUCTURE

Our Company's share capital, as of the date of filing this Red Herring Prospectus, before and after the proposed Issue, is set forth below:

(₹ in Millions except share data)

No.	Particulars	Nominal Value	Aggregate value at Issue Price
A	Authorised Share Capital*		
	30,000,000 Equity Shares of ₹10/- each	300.00	
B	Issued, Subscribed and Paid Up Capital before the Issue		
	18,100,000 Equity Shares of ₹10/- each	181.00	
C	Present Issue in terms of the Red Herring Prospectus**		
	Fresh Issue of up to 64,67,200 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share aggregating to ₹[●] million		
	Which comprises:		
	<ul style="list-style-type: none"> • Upto 3,24,800 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion • Net Issue to Public of upto 61,42,400 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share 		
D	Issued, Subscribed and Paid-up Capital after the Issue		
	24,567,200 Equity Shares of ₹10/- each	245.66	[●]
E	Securities Premium Account		
	Before the Issue	--	
	After the Issue		[●]

*For details of the changes in the authorized share capital of our Company, please refer to section titled "History and Certain Corporate Matters" beginning on page 115 of this Red Herring Prospectus.

**The Issue has been authorized by our Board pursuant to a resolution dated June 19, 2017, and by our Equity Shareholders pursuant to a resolution passed at the Extra Ordinary General Meeting held on July 13, 2017.

Notes on Capital Structure

1. Equity Share Capital History of our Company

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
August 2, 2004	1,000	100.00	100.00	Cash	Subscription to the Memorandum of Association ⁽¹⁾	1,000	100,000	--
March 16, 2010	4,000	100.00	100.00	Cash	Further issue of Equity Shares ⁽²⁾	5,000	500,000	--
Total (Pre-sub division)	5,000							
<i>At the Shareholders Meeting held on December 27, 2012 a resolution was passed for Sub-division of the face value of Equity Shares from ₹100 to ₹10. The Equity Shares on sub-division of the face value then amounted to 10,000,000 Equity Shares of ₹10 each.</i>								
Total (Post-sub division)	50,000	10.00	10.00			50,000	500,000	
March 25, 2013	9,000,000	10.00	10.00	Conversion of loan into Equity	Preferential allotment ⁽³⁾	9,050,000	90,500,000	--



Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
				Shares of our Company				
February 1, 2017	9,050,000	10.00	N.A.	N.A.	Bonus Issue (1:1) ⁽⁴⁾	18,100,000	181,000,000	--
Total	18,100,000							--

Notes:

- (1) Initial subscription to MoA of 500 Equity Shares by Mr. Rohit Gupta; and 500 Equity Shares by Mr. Suraj Parkash Gupta;
- (2) Allotment of 3,940 Equity Shares to Mr. Rohit Gupta; 10 Equity Shares each to Mr. Suraj Parkash Gupta; Ms. Pooja Gupta; Ms. Navnidhi Gupta; Mr. Anil Kumar; Mr. Ram Rattan Gupta and Ms. Radha Rani Gupta.
- (3) Allotment of 9,000,000 Equity Shares to Mr. Rohit Gupta pursuant to conversion of unsecured loan into Equity Shares of our Company in respect of the agreed terms of takeover of M/s. Sarveshwar Overseas., Proprietary concern.
- (4) Allotment of 90,444,000 Equity Shares to Mr. Rohit Gupta; 51,000 Equity Shares to Mr. Suraj Parkash Gupta; 100 Equity Shares each to Ms. Radha Rani Gupta; Ms. Pooja Gupta; Ms. Nav Nidhi Gupta; Mr. Ram Rattan Gupta and Mr. Anil Kumar.

2. Issue of Equity Shares in the last one year

Except for the bonus issue made on February 27, 2017, our Company has not made any issue of specified securities at a price lower than the Issue Price during the preceding one (1) year from the date of filing of this Red Herring Prospectus.

3. Equity Shares issued for consideration other than cash

Our Company has not issued any Equity Shares out of revaluation reserves.

Our Company has not issued any Equity Shares for consideration other than cash as on the date of this Red Herring Prospectus except as stated below:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment
March 25, 2013	9,000,000	10.00	10.00	Other than cash	Preferential allotment
Total	9,000,000				

4. Build-up of our Promoter's Shareholding, Promoter's Contribution and Lock-in

(a) Build-up of our Promoter's shareholding in our Company

The promoter of our Company is Mr. Rohit Gupta. As on the date of this Red Herring Prospectus, our Promoter holds 18,088,800 Equity Shares, which constitutes approximately 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company.

Set forth below is the build-up of the equity shareholding of our Promoter, since the incorporation of our Company.

i) Mr. Rohit Gupta

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre-Issue equity share capital	% of post-Issue equity share capital	Sources of funds
August 2, 2004	500	100.00	100.00	Cash	Subscription to the MoA	0.03	0.02	Own funds
March 16, 2010	3,940	100.00	100.00	Cash	Further issue	0.22	0.16	Own funds
Total (Pre-sub division)	4,440							

At the Shareholders Meeting held on December 27, 2012 a resolution was passed for Sub-division of the face value of Equity



Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre-Issue equity share capital	% of post-Issue equity share capital	Sources of funds
<i>Shares from ₹100 to ₹10. The Equity Shares on sub-division of the face value then amounted to 10,000,000 Equity Shares of ₹10 each.</i>								
Total (Post-sub division)	44,400					0.25	0.18	
March 25, 2013	9,000,000	10.00	10.00	Other than cash	Preferential allotment	49.72	36.64	Own funds
February 27, 2017	9,044,400	10.00	N.A.	N.A.	Bonus Issue (1:1)	49.97	26.82	N.A.
Total	18,088,800					99.94	73.64	

All the Equity Shares held by our Promoter were fully paid-up as on the respective dates of acquisition of such Equity Shares. Our Promoter has confirmed to our Company and the BRLMS that the Equity Shares held by our Promoter has been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by him for such purpose.

As on the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoter is subject to any pledge. Our Company has not issued any preference shares to our Promoter as on the date of this Red Herring Prospectus.

(b) Shareholding of our Promoter & Promoter Group

The table below presents the shareholding of our Promoter and Promoter Group, who hold Equity Shares as on the date of filing of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Rohit Gupta	18,088,800	99.94	18,088,800	73.64
Mr. Suraj Parkash Gupta	10,200	0.06	10,200	0.04
Ms. Radha Rani Gupta	200	Negligible	200	Negligible
Ms. Pooja Gupta	200	Negligible	200	Negligible
Ms. Nav Nidhi	200	Negligible	200	Negligible
Mr. Ram Rattan	200	Negligible	200	Negligible
Total	18,099,800	99.99	18,099,800	

*Assuming full subscription to the Issue.

All Equity Shares held by our Promoter is in dematerialized form as on the date of this Red Herring Prospectus.

(c) Details of Promoters' Contribution Locked-in for three (3) Years

Pursuant to Regulations 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue equity share capital of our Company held by our Promoter shall be considered as the minimum Promoter's contribution and locked in for a period of three (3) years from the date of Allotment ("**Minimum Promoter's Contribution**"). All Equity Shares held by our Promoter is eligible for inclusion in the Minimum Promoter's Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations.

Accordingly, Equity Shares aggregating to 20% of the post-Issue capital of our Company, held by our Promoter shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:



Details of Promoter's Contribution*							
Date on which the Equity Shares were Allotted/ Acquired	Date when made fully paid up	Consideration	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	% of post-Issue share capital	Period of Lock-in
Mr. Rohit Gupta							
February 27, 2017	February 27, 2017	Bonus Issue	49,13,440	10	-	20.00	3 years from the date of allotment under the Issue
Total			49,13,440			20.00	

*Details of Minimum Promoter's Contribution shall be determined after finalizing the basis of allotment.

For details on the build-up of the Equity Share capital held by our Promoter, please refer to "Build-up of our Promoter's shareholding in our Company" beginning on page 61 of this Red Herring Prospectus.

Our Promoter has given consent to include such number of Equity Shares held by him as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as "promoter" under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this regards, we confirm that:

- (i) the Equity Shares offered as part of the Minimum Promoter's Contribution do not comprise Equity Shares acquired during the three (3) years preceding the date of this Red Herring Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;
- (ii) the Minimum Promoter's Contribution does not include Equity Shares acquired during the one (1) year preceding the date of this Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one (1) year immediately preceding the date of this Red Herring Prospectus pursuant to conversion of a partnership firm; and
- (iv) the Equity Shares held by our Promoter and offered as part of the Minimum Promoter's Contribution are not subject to any pledge.

(d) Details of Equity Shares Locked-in for One (1) Year

In terms of Regulation 37 of the SEBI (ICDR) Regulations, the entire pre-Issue Equity Share capital will be locked-in for a period of one (1) year from the date of Allotment in the Issue, except (a) the Minimum Promoter's Contribution which shall be locked in as above.

(e) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter and locked- in for one (1) year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoter's Contribution for three (3) years can be



pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter may be transferred between our Promoter and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Further, in terms of Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by persons other than our Promoter prior to the Issue and locked-in for a period of one (1) year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.



5. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Red Herring Prospectus.

(Face value of Equity Shares of ₹10 each)

Category (I)	Category of shareholder (II)	Nos. of share holders (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 nos. 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 Warrants) (X)	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 (XIV)
								No of Voting Rights Class Equity Shares	Class Others	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	6	18,099,800	NA	NA	18,100,000	99.99	99.99		99.99	99.99	NA	NA	NA	NA	NA	NA
(B)	Public	1	200	NA	NA	200	0.01	0.01	NA	0.01	0.01	NA	NA	NA	NA	NA	NA
(C)	Non-Promoter-Non Public	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(C1)	Shares underlying DRs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(C2)	Shares held by Employee Trusts	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total	7	18,100,000	NA	NA	18,100,000	100	100		100	100	NA	NA	NA	NA	NA	NA



6. The BRLMS and their respective associates do not hold any Equity Shares as on the date of this Red Herring Prospectus.
7. The BRLMS and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.
8. Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Rohit Gupta	18,088,800	99.99	[●]	[●]
Mr. Anil Kumar	200	Negligible	[●]	[●]
Total	18,089,000	99.99	[●]	[●]

9. None of the Key Managerial Personnel hold Equity Shares in our Company as on the date of this Red Herring Prospectus.

10. As on date of this Red Herring Prospectus, our Company has seven (7) shareholders.

11. Top Ten Shareholders of our Company

- a. The top ten (10) shareholders of our Company as of the date of the filing of the Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
1.	Mr. Rohit Gupta	18,088,800	99.94
2.	Mr. Suraj Parkash Gupta	10,200	0.06
3.	Ms. Radha Rani Gupta	200	Negligible
4.	Ms. Pooja Gupta	200	Negligible
5.	Ms. Nav Nidhi	200	Negligible
6.	Mr. Ram Rattan	200	Negligible
7.	Mr. Anil Kumar	200	Negligible
Total		18,100,000	100.00

- b. The top ten (10) shareholders of our Company as of ten (10) days prior to the filing of the Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
1.	Mr. Rohit Gupta	18,088,800	99.94
2.	Mr. Suraj Parkash Gupta	10,200	0.06
3.	Ms. Radha Rani Gupta	200	Negligible
4.	Ms. Pooja Gupta	200	Negligible
5.	Ms. Nav Nidhi	200	Negligible
6.	Mr. Ram Rattan	200	Negligible
7.	Mr. Anil Kumar	200	Negligible
Total		18,100,000	100.00

- c. The top ten (10) shareholders of our Company as of two (2) years prior to the filing of the Red Herring Prospectus with SEBI are as follows:

No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
1.	Mr. Rohit Gupta	9,044,400	99.94
2.	Mr. Suraj Parkash Gupta	5,100	0.06
3.	Ms. Radha Rani Gupta	100	Negligible
4.	Ms. Pooja Gupta	100	Negligible
5.	Ms. Nav Nidhi	100	Negligible



No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
6.	Mr. Ram Rattan	100	Negligible
7.	Mr. Anil Kumar	100	Negligible
Total		9,050,000	100.00

12. None of our Promoter, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six (6) months immediately preceding the date of this Red Herring Prospectus.
13. Our Company, our Promoter, members of our Promoter Group, our Directors and the BRLMS have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Issue from any person.
14. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, our Directors, Promoter or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoter to any person in connection with making an application for or receiving any Equity Shares pursuant to this Issue.
15. As on the date of this Red Herring Prospectus, there are no Equity Shares held by the members of our Promoter Group except as set out below. None of the Equity Shares being offered through the Issue are pledged or otherwise encumbered.

No.	Name of the Shareholder	Number of Equity Shares	Shareholding (%)
1.	Mr. Suraj Parkash Gupta	10,200	Negligible
2.	Ms. Radha Rani Gupta	200	Negligible
3.	Ms. Pooja Gupta	200	Negligible
4.	Ms. Nav Nidhi	200	Negligible
5.	Mr. Ram Rattan	200	Negligible
Total		11,000	Negligible

16. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMS and the Designated Stock Exchange.
17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
18. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.
19. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
20. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
21. Our Company presently does not intend or propose to alter the capital structure for a period of six (6) months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (*including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares*), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.



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22. None of our Promoter or the members of our Promoter Group will participate in the Issue.
 23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
 24. There has been no financing arrangement whereby our Promoter, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of this Red Herring Prospectus.
 25. Our Company shall ensure that any transactions in the Equity Shares by our Promoter and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Issue with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within twenty four (24) hours of the transactions.
 26. Our Company has not revalued its assets since incorporation.
 27. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Issue and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For further information, please refer to section titled "Issue Procedure", beginning on page 216 of this Red Herring Prospectus.
 28. Our Company, Directors and BRLMs have not entered into any buy-back or standby/ safety net arrangements for the purchase of the Equity Shares of our Company from any person.



OBJECTS OF THE ISSUE

The Objects of the Issue is to raise resources to:

- ❖ Part finance our long term working capital requirement;
- ❖ Invest in subsidiary;
- ❖ General Corporate Purpose; and
- ❖ Meet the expenses of the issue.

Further we believe that the listing of our equity shares will benefit the Company by enhancing its visibility, corporate image, brand name and create public market for equity shares in India. The main object clause of our Memorandum of Association and objects incidental to the attainment of the main objects enables us to undertake the existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised. Further, the same is based on our current business plan. In view of the competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently the fund requirement may change.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

We intend to utilize the Proceeds of the Issue for financing the above-mentioned objects. The details of utilization of Proceeds are as per the table set forth below:

Expenditure Items	Amount (₹ In Millions)
Part Finance of Long term working Capital	300.00
Investment in our subsidiary Himalayan Bio Organics Pvt. Limited	150.00
General Corporate Purpose	[●]
Issue Expenses	[●]
Total	[●]

Means of Finance

Source	Amount (₹ In Millions)
Proceeds of the Issue	[●]
Total	[●]

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

Details of the Objects of the Issue:

1. Working capital requirement

We operate in an industry which is highly working capital intensive. Majority of our working capital requirement is funded in the ordinary course of business from our internal accruals, financing from various banks & financial institutions and capital raisings through issue of Equity Shares. Our Company proposes to utilise ₹300.00 Million of Net Proceeds towards working capital requirements for meeting our business requirements.

Our existing working capital requirement and funding on the basis of the Restated Financial Statements for the financial year ended March 31, 2017 and provisional figures for the financial year ended March 31, 2018 are as stated below:



Basis of estimation of working capital requirement

(₹ In Millions)

Particulars	2016-2017 (Restated & Audited)	2017-2018 (Estimated)
Current Assets		
Inventories		
• Raw material	556.60	479.33
• Finished Goods	362.50	579.45
Trade Receivables	392.00	391.67
Cash and Bank Balance	1.80	1.30
Short term loans & advances and other current assets	42.70	180.00
Total (A)	1318.39	1631.80
Current Liabilities		
Trade Payables	316.90	182.85
Other Current Liabilities & Provisions	39.80	42.50
Total (B)	356.70	225.35
Net Working Capital (A)-(B)	961.69	1424.60
Sources of Working Capital		
Issue Proceeds	-	300.00
Internal Accruals	220.61	383.52
Bank Finance	741.08	741.08
Total	961.69	1424.60

Assumption for working capital requirements

(In months)

Particulars	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018 (Estimated)
Current Assets		
Inventories		
• Raw material	4.44	5.32
• Finished Goods	2.17	3.17
Trade Receivables		
• Domestic	2.48	2.00
• Export	1.51	2.03
Current Liabilities		
Trade Payables	2.04	1.03

Justification for "Holding Period" levels

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

Assets- Current Assets	
Inventories	<p>The raw material inventory holding level in F.Y. 2016-17 was 4.44 months which is expected to increase to 5.32 months in F.Y. 2017-18. This increase is due to expected increase in operations and sales which may require the Company to hold excess inventory.</p> <p>The finished goods inventory holding level in F.Y. 2016-17 was 2.17 months and is assumed to increase to 3.17 months in F.Y. 2017-18, because of expansion of business in other states of the country as compare to limited presence at present. As the number of locations is going to increase, simultaneously finished goods holding levels would also go up.</p>
Trade receivables	<p>The domestic trade receivables holding level in F.Y. 2016-17 was 2.48 months which is expected reduce to 2.00 months in F.Y. 2017-18. With the focus on increasing sales to the other states the average credit period offered is expected to reduce. Further sales in other states will be done from other centers which give faster realisation of the sales proceeds as compared to the existing customers and therefore the average receivables will be improved.</p> <p>The export trade receivables holding level in F.Y. 2016-17 was 1.51 months and is expected to increase to 2.03 months for F.Y. 2017-18, due to expected increase in export operations and tapping on new customer base. The Company is continuously expanding its customer base in various countries and generating higher</p>



Assets- Current Assets	
	revenue from export sales and therefore the average level of receivables is bound to increase in the diversified customer base scenario.
Liabilities- Current Liabilities	
Trade Payables	The credit period in F.Y. 2016-17 was 2.04 months and is expected to be reduced to 1.03 months during FY 2017-18 as the Company is striving to set appropriate credit terms to achieve better and favourable pricing terms and to ensure continued relation with our suppliers. If we are able to make payment to our suppliers on time, we would be able to source the material at cheaper prices and that would add to our margins.

2. Investment in our subsidiary Himalayan Bio Organics Private Limited

We intend to utilise a part of the Proceeds amounting to ₹150.00 million to make an investment in our Wholly Owned Subsidiary, Himalayan Bio Organic Foods Private Limited. We intend to invest in the equity of our subsidiary.

The Board of directors of our company have vide their resolution dated December 5, 2017 authorized the investment by our company upto an amount ₹150.00 million. There is no assurance of any dividend to be paid by our subsidiary.

Himalayan Bio Organic Foods Private Limited is engaged in "Organic" Business which includes procurement, storage, milling, sorting, packaging, branding and distribution of "Organic" Basmati and non-Basmati rice. "Organic" business also includes organic food products like dry fruits and nuts, pulses & lentil, flours, porridge, spices and super foods like chia seeds, flax seeds and quinoa seeds. These organic food products are marketed and distributed under the brand "Nimbark". It also manages the flagship retail store in the name of "Nimbark - Living the Satvik Way" started during the month of May 2017 at Channi Himmat, Jammu for selling of organically grown products.

Himalayan Bio intends to utilise this investment for fulfilling its working capital requirements and for setting up Processing Units for Organic Products at the existing land located at Seora, Jammu where the existing unit of Sarveshwar Foods Limited is located. Himalayan Bio proposes to utilise the amount to start its own manufacturing unit Himalayan Bio has entered into a lease agreement dated August 26, 2017 with Mr. Rohit Gupta, promoter of our company for use of the said land for 11 months.

As a result of the proposed investment and subsequent utilisation of funds for setting up of processing units, we seek to capitalize on the anticipated demand for Organic food products such as Rice, Rice Flour, Whole Grain Flour, Spices and Pulses, both domestically and globally. We expect that this investment will lead to an improvement in the business and profitability of Himalayan Bio which will also add to the overall financial strength of our Company.

Details of amount to be spent by Himalayan Bio for setting up of its processing unit are as follows:

Particulars	(₹ In Millions)	
	Amount	Amount
Construction of shed at Seora, Jammu		32.03
Plant & Machineries:		
• Unit 1: 2TPH Whole Grain Flour Processing Unit (Atta Chakki Plant)	9.90	
• Unit 2: 2TPH Rice Flour Processing Unit	9.60	
• Unit 3: 0.5TPH Spice Processing Unit	9.20	
• Unit 4: 2TPH Pulse Cleaning & Grading Unit	6.50	35.20
Contingencies		0.27
Total		67.50

The Working Capital requirement of Himalayan Bio Products is as estimated hereunder:

Particulars	(₹ In Millions)
	2017-18 (Estimated)
Current Assets	
Inventories	
• Raw material	70.20
• Finished Goods	74.80
Trade Receivables	54.20
Cash and Bank Balance	31.10
Short term loans & advances and other current assets	8.00
Total (A)	238.30



Particulars	2017-18 (Estimated)
Current Liabilities	
Trade Payables	70.20
Other Current Liabilities & Provisions	12.10
Total (B)	82.30
Net Working Capital (A)-(B)	156.00
Sources of Working Capital	
Issue Proceeds	82.50
Internal Accruals/ Bank Finance	73.50
Total	156.00

Assumption for working capital requirements

(In months)

Particulars	Holding Level as of March 31, 2018 (Estimated)
Current Assets	
Inventories	
• Raw material	2.03
• Finished Goods	2.00
Trade Receivables	
• Domestic	2.00
• Export	1.01
Current Liabilities	
Trade Payables	2.03

For brief details of the business of the Subsidiary Companies, please refer to section titled "History and Certain Corporate Matters" beginning on page 115 of this Red Herring Prospectus.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹[●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

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

4. Issue Expenses

The Issue related expenses consists of fees payable to the BRLMS, Legal Counsel, Auditors, processing fee to the SCSBs, Registrars to the Offer, printing and stationery expenses, advertising and marketing expenses underwriting fees, selling commission and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. Our Company intends to use approximately ₹[●] million towards these expenses, break-up of the same is as follows:



(₹ in Millions)

Activity	Estimated Expense	% of Total Expenses	As a percentage of Offer size
Fees to intermediaries (including Lead Managers fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses)	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Printing and Stationary & Distribution	[•]	[•]	[•]
Statutory and other miscellaneous expenses	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

*Includes Commission/ processing fees to the Designated Intermediaries. Designated Intermediaries would be entitled for a processing fee of ₹10 for processing of valid Application forms procured by such Intermediaries. Additionally, the SCSBs will be entitled for a fee of ₹10 per application for blocking of funds.

Schedule of Implementation & Deployment of Funds

As estimated by our management, our Company proposes to deploy the entire Proceeds of the issue in the aforesaid objects in the Financial Year 2017-2018.

Sources & deployment of Funds

Our Company has deployed ₹9.90 mn as of December 22, 2017 towards the “Objects of the Offer” as certified by our Statutory Auditors, M/s K R A & Co., Chartered Accountants. The details of which are as under:

(₹ in Millions)

Particulars	Amount
DEPLOYMENT OF FUNDS	
1. Merchant Banker fee and Payments to Advisors	3.35
2. Legal Advisors	1.00
3. Auditors	1.68
4. ROC Fees	1.65
5. Other Expenses	2.23
Total	9.90
SOURCES OF FUNDS	
Internal accruals	9.90
Total	9.90

Appraisal

None of the Objects of the Offer have been appraised by any bank or financial institution.

Bridge Financing Facilities

We have not availed any bridge financing facilities for the meeting the expenses as stated under the Objects of the Offer.

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 and investment into liquid mutual funds.

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

Monitoring of Utilization of Funds

Since the Offer size does not exceed ₹1,000 million, the appointment of a monitoring agency as per Regulation 16 of the SEBI (ICDR) Regulations is not required. As required under the SEBI Listing Regulations, the Audit Committee appointed by our Board will monitor the utilisation of the Offer proceeds. We will disclose the utilisation of the proceeds of the Offer, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Offer Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate



investments, if any, of unutilised proceeds of the Offer in our Balance Sheet for the relevant Financial Years subsequent to listing of our Equity Shares on the SME Platform of NSE.

Pursuant to SEBI Listing Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Offer have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the proceeds of the Offer to the Stock Exchange(s) and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Offer will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business.

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 Urdu, 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.

Basic terms of the issue

The Equity shares being offered are subject to the provision of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this offer document and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.



BASIS FOR ISSUE PRICE

The Issue Price of ₹[●] per Equity Share will be determined by our Company, in consultation with the BRLMS on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors.

The face value of the Equity Shares of our Company is ₹10 each and the Issue Price is 8.3 times of the face value at the lower end of the price band and 8.5 times the face value at the upper end of the Price Band.

Qualitative Factors

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

1. Geographical location;
2. Integrated operations;
3. Modern Equipment & Technology coupled with process innovations;
4. Strong procurement capabilities for conventional and organic basmati paddy;
5. Access to more than 9000 hectares of organic land for procurement of organic basmati paddy and extensive warehousing capabilities;
6. Focus on Processing and Quality Control;
7. Strong culture for research and development; and
8. Experienced Management Team

For further details, refer to section titled "Our Business" beginning on page 96 of this Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the restated consolidated financial statements of our Company for Financial Years 2014-2015, 2015-2016 and 2016-2017 and for the period ended September 30, 2017 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic Earnings per Share (EPS) as per Accounting Standard 20:

Year ended	EPS (₹)	Weight
March 31, 2015	8.83	1
March 31, 2016	6.12	2
March 31, 2017	7.16	3
Weighted Average		7.09
For the period ended September 30, 2017		8.76*

*Annualised

Note: The EPS has been computed by dividing net profit as restated, attributable to equity shareholders by weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is ₹10.

2. Price to Earnings (P/E) ratio in relation to Price Band of ₹83 to ₹85 per Equity Share of face value of ₹10 each.

Particulars	P/E Ratio	
	At Floor Price	At Cap Price
P/E ratio based on Basic EPS for FY 2016-17	11.59	11.87
P/E ratio based on Weighted Average EPS	11.71	11.99
*Industry P/E (on basic EPS)		
Lowest		20.52
Highest		34.79
Average**		44.00

*Industry Comprises of LT Foods Limited, KRBL Limited and Chaman Lal Setia Exports Limited.

**Source: Capital Market Volume January 29, 2018-February 11, 2018.



3. Average Return on Net Worth (RONW) as per restated financial statements for the preceding three (3) years.

Year ended	RONW (%)	Weight
March 31, 2015	26.81	1
March 31, 2016	15.70	2
March 31, 2017	18.48	3
Weighted Average		18.94
For the period ended September 30, 2017		20.36*

*Annualised

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

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017

Particulars	%
At Floor Price	11.89
At Cap Price	11.79

5. Net Asset Value (NAV)

Particulars	Amount (₹)
Net Asset Value per Equity Share as of March 31, 2017	38.76
Net Asset Value per Equity Share as of September 30, 2017	43.03
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.
- Issue Price per equity share will be determined on conclusion of Book Building Process.

6. Comparison with other listed companies/ Industry peers

The peer company has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

Name of the Company	Revenue (₹ In Millions)	Face Value (₹)	P/E*	EPS (Basic & Diluted) (₹)	RONW (%)	NAV per share (₹)
LT Foods Limited	33,221.1	1	20.52	4.40	19.61%	24.61
KRBL Limited	31,593.14	1	34.79	16.97	20.90%	81.03
Chaman Lal Setia Exports Limited	4,958.71	2	21.96	7.44	26.52%	28.07

*Based on closing market price of the respective scrips as on February 09, 2018, available on www.nseindia.com

Notes:

- Considering the nature of business of the Company the peer are not strictly comparable. However same have been included for broad comparison.
- The figures of the peer group companies are based on consolidated audited results for the year ended March 31, 2017.
- The Issue Price of ₹[●] per equity share shall be determined by our Company in consultation with the BRLMS on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with section titled "Risk Factors" and "Financial Statements" beginning on pages 16; and 142 respectively of this Red Herring Prospectus, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned under section titled "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.



STATEMENT OF TAX BENEFITS

To
The Board of Directors
Sarveshwar Foods Ltd
Below Gumat
Jammu

Dear Sirs,

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

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act') as amended by the Finance Act, 2016 (i.e applicable to Financial Year 2016-17 relevant to Assessment Year 2017-18), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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

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

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

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

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

For M/s. K R A & Co
Chartered Accountants
Firm Registration no.: 020266N

(CA Rajat Goyal)
Partner
M No: 503150
December 10, 2017



Annexure

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2016-17

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

The Company is entitled to 30% deduction under the Act u/s 80IB (4) of profit and gains derived by the company from the eligible business i.e from dehusking of paddy

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

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

SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 18 and 172 Red Herring Prospectus.

Our Company falls under the Manufacturing Sector and further under the Food Processing Industry. The analysis of the Sector and Industry may be approached by analysing both, the domestic as well as the global markets. The broad view of our Industry shall consist of analysis of the Manufacturing Sector at the preface followed by the Food Processing Industry and specifically the Rice Sector.

The Manufacturing sector comprises of various industries having numerous sub-classes or products, one being the “Food Processing Industry”, which in turn encompasses various components such as “Manufacturing and Processing of Rice”.

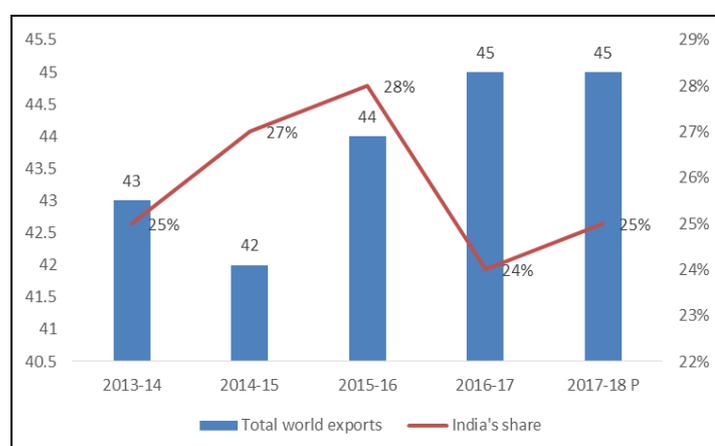
Background of Rice Manufacturing and Processing

Globally, basmati rice production forms around 1.5% of total rice production. India contributes 65-70%, with Pakistan accounting for the rest. As per a World Trade Organisation ruling, only certain varieties of rice grown in India and Pakistan can be labelled as basmati. Basmati rice is a long grain with a fine texture. It is one of the most expensive rice varieties in the world. It has strong aroma in raw and cooked forms, and its longer size differentiates it from non-basmati variants. The word basmati means the 'queen of fragrance' or the 'perfumed one'. The rice's perfumed, nut-like flavour and aroma are its innate characteristics, which get enhanced with age. Therefore, basmati rice, which is available in both white and brown forms, needs to be matured for at least 6-8 months to be marketable.

The variety's unique taste and texture are attributed to the soil and climate of the growing region. Adequate water, fertile land, adequate sunshine hours and favourable day-night temperatures during the winter season are the agro-climatic characteristics necessary for basmati cultivation. In India, the areas, where the basmati rice is grown, are geographically well-defined; these include Punjab, Haryana, Uttarakhand, western Uttar Pradesh and the southern part of Jammu and Kashmir.

In spite of a fall in exports, India remained the largest exporter of rice in 2016-17 closely followed by Thailand and Vietnam. India is known for its Basmati rice which has high international demand especially in the USA and the gulf countries. Although the realizations for exports fell, the volumes remain relatively range bound in 2016-17

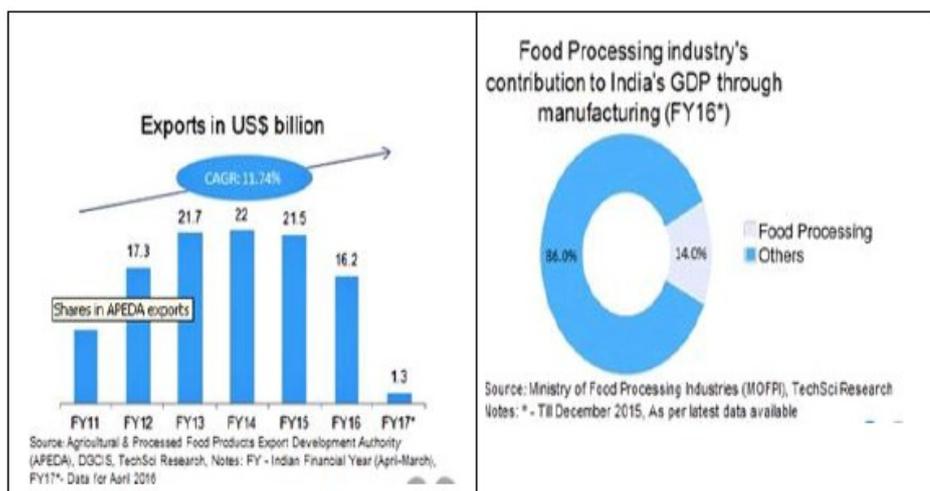
India's share in total exports (numbers in value terms)



(Source: USDA, Industry, CRISIL Research)

Background of Indian Food Processing Industry

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. The food industry, which is currently valued at US\$ 39.71 billion, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US\$ 65.4 billion by 2018. Food and grocery account for around 31 per cent of India's consumption basket. Accounting for about 32 per cent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units.



(Source: Indian Food Industry, Food Processing Industry in India, Statistics- India Brand Equity Foundation www.ibef.org)

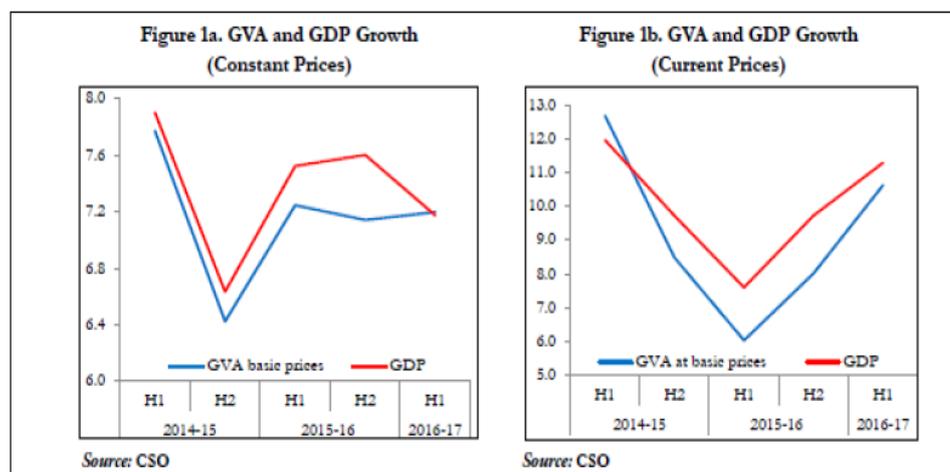
Global Economic Overview

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's —political carrying capacity for globalisation may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends— documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On, the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

Review of Major Developments in Indian Economy

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end- December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year.

Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments. State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

Outlook for 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government. As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses was in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60- 65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.



Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

(Source: *Economic Survey 2016-17* www.indiabudget.nic.in)

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs— should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income.

But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

(Source: *Economic Survey 2016-17* www.indiabudget.nic.in)

Global Manufacturing Sector

World Manufacturing Growth in quarter II, 2017

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.

Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged. As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, www.unido.org)

Manufacturing sector growth in Developing and emerging industrial economies

The second quarter of 2017 brought upward trends for all developing and emerging industrial regions. Latin America is continuing on the path to full recovery from last year's weak performance, Asian economies continue to prosper and production in Africa is profiting from boosted investor confidence. Stronger foreign demand is helping support manufacturing activity in China. Together with an improvement in domestic demand and support for the development of advanced manufacturing industries, this translated into a 7.4 per cent increase in total manufacturing production in China compared to the same period of the previous year

Latin American economies have overcome a severe decline in economic growth, which affected the region for a long period with a 1.8 per cent upsurge in the second quarter of 2017 in a year-to-year comparison. Brazilian manufacturers are slowly emerging from the deep recession during which manufacturing production contracted at the beginning of 2014 and shrank uninterruptedly until early 2017. This steep fall was softened by a mild, but ultimately positive upward trend of 0.4 per cent recorded in the second quarter of 2017. Moreover, data for the second quarter of 2017 suggest that the recovery is finally gathering pace in Argentina's manufacturing sector. The country's manufacturing activity recorded a growth of 1.9 per cent - its best performance over the last five years. Production was driven by a broad-based expansion, with the food, automotive and metallurgic industries leading the way.

The positive momentum of manufacturing production in Mexico, the region's powerhouse, was largely retained with a positive increase of nearly 3.9 per cent. Looking at the other countries in the region, Chile recorded a minor upturn of 0.9 per cent, whereas manufacturing output in Colombia remained stagnant compared to the same period of 2016.

The Asia and the Pacific region saw an increase of 6.6 per cent in manufacturing output during the second quarter of 2017. Viet Nam, one of Asia's fast-growing economies, maintained a solid growth rate of 11.1 per cent, continuing its long-term trajectory of double-digit year-to-year growth in manufacturing. On the other hand, a subdued export performance dampened the momentum in Indonesia, resulting in the country's manufacturing sector expanding by 3.8 per cent, a slight deceleration compared to the 4.5 per cent average growth rate in 2016. India's manufacturing production expanded by 1.8 per cent in the second quarter of 2017. Very positive developments in growth were also observed in the Philippines, Pakistan, Kazakhstan and Mongolia. In Thailand, the weak performance of manufacturing production in the first quarter continued into the second quarter of 2017, and the manufacturing sector recorded a 0.1 per cent loss compared to the second quarter of the previous year.

According to UNIDO estimates, Africa's manufacturing output increased to 10.5 per cent in the second quarter of 2017, however, it should be noted that estimates for Africa are based on limited data revealing high instability and volatility. A two-digit growth rate was registered in Egypt; Cote d'Ivoire only barely missed a two-digit growth rate, Morocco experienced a 2.3 per cent growth, while Senegal's and Tunisia's manufacturing output dropped by 3.0 per cent and 0.4 per cent, respectively, compared to the same period of the previous year. South Africa, the region's most industrialized economy, saw a contraction rate of 1.7 per cent in the second quarter of 2017, the third quarter of depressed manufacturing production in a row. Weak manufacturing together with a shrinking trade sector, uncertain political landscape and stunted investment signalizes potentially dim prospects, and perhaps not only for 2017.

Among other developing economies, the manufacturing output of Eastern European countries achieved relatively higher growth rates. Manufacturing output rose by 6.2 per cent in Poland, 10.6 per cent in Romania, 8.5 per cent in Bulgaria, 6.0 per cent in Serbia and 8.7 per cent in Latvia. Turkey's manufacturing sector also performed well, growing by 4.7 percent due to healthy export growth fuelled by a weaker lira. Greek manufacturing marked 2.5 per cent growth in the second quarter of 2017 over the same period of 2016.

(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, www.unido.org)

Manufacturing Sector In India

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 70.51 billion by June 2017.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

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

- The Government of India has introduced several policy measures in the Union Budget 2017- 18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crores (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry. Page 112 of 327
- The Ministry of Defence, Government of India, approved the —Strategic Partnership model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

Road Ahead

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

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors.

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017

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

Indian Food Processing Industry

Introduction

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. The food industry, which is currently valued at US\$ 39.71 billion, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US\$ 65.4 billion by 2018. Food and grocery account for around 31 per cent of India's consumption basket.

Accounting for about 32 per cent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units.

Market Size

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food retail market is expected to reach Rs 61 lakh crore (US\$ 915 billion) by 2020.

The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 14 per cent of manufacturing Gross Domestic Product (GDP), 13 per cent of India's exports and six per cent of total industrial investment. Indian food service industry is expected to reach US\$ 78 billion by 2018. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020##.

The online food ordering business in India is in its nascent stage, but witnessing exponential growth. The organised food business in India is worth US\$ 48 billion, of which food delivery is valued at US\$ 15 billion. With online food delivery players like FoodPanda, Zomato, TinyOwl and Swiggy building scale through partnerships, the organised food business has a huge potential and a promising future. The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016.

Investments

According to the data provided by the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India has received around US\$ 7.47 billion worth of Foreign Direct Investment (FDI) during the period April 2000-December 2016. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the potential to attract as much as US\$ 33 billion of investment over the next 10 years and also to generate employment of nine million person-days. Mr Tomasz Lukaszuk, the Ambassador of the Republic of Poland had also highlighted the keen interest shown by Polish companies looking for opportunities in India to expand collaboration and invest food processing.

Government Initiatives

Some of the major initiatives taken by the Government of India to improve the food processing sector in India are as follows:

- In Union Budget 2017-18, the Government of India has set up a dairy processing infra fund worth Rs 8,000 crore (US\$ 1.2 billion).
- Union Budget 2016-17 proposed 100 per cent FDI through FIPB (Foreign Investment Promotion Board) route in marketing of food products produced and manufactured in India.
- The Government of India has relaxed foreign direct investment (FDI) norms for the sector, allowing up to 100 per cent FDI in food product e-commerce through automatic route.
- The Food Safety and Standards Authority of India (FSSAI) plans to invest around Rs 482 crore (US\$ 72.3 million) to strengthen the food testing infrastructure in India, by upgrading 59 existing food testing laboratories and setting up 62 new mobile testing labs across the country.
- The Indian Council for Fertilizer and Nutrient Research (ICFNR) will adopt international best practices for research in fertiliser sector, which will enable farmers to get good quality fertilisers at affordable rates and thereby achieve food security for the common man.

- The Government of India allocated Rs 1,500 crore (US\$ 225.7 million) and announced various measures under the Merchandise Exports from India Scheme (MEIS), including setting up of agencies for aquaculture and fisheries in coastal states and export incentives for marine products.
- Government of India plans to allow two Indian dairy companies, Parag Milk Foods and Schreiber Dynamix Dairies, to export milk products to Russia for six months, after these companies got approval for their products by Russian inspection authorities.
- Ms Harsimrat Kaur Badal, Union Minister for Food Processing Industries, Government of India inaugurated the first of its kind Rs 136 crore (US\$ 20 million) mega international food park at Dabwala Kalan, Punjab. She has also expressed confidence that the decision to allow 100 per cent Foreign Direct Investment (FDI) in multi-brand retail with 100 per cent local sourcing condition, will act as a catalyst for the food processing sector, thereby controlling inflation, uplifting the condition of farmers, and creating more jobs in the country.
- FSSAI has issued new rules for importing products, to address concerns over the entry of substandard items and simplify the process by setting shelf-life norms and relaxing labelling guidelines.
- The Ministry of Food Processing Industries announced a scheme for Human Resource Development (HRD) in the food processing sector. The HRD scheme is being implemented through State Governments under the National Mission on Food Processing. The scheme has the following four components: → Creation of infrastructure facilities for degree/diploma courses in food processing sector → Entrepreneurship Development Programme (EDP) → Food Processing Training Centres (FPTC) → Training at recognised institutions at State/National level
- FSSAI under the Ministry of Health and Family Welfare has issued the Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011 and the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011 which prescribe the quality and safety standards, respectively for food products.
- Spices Board, set up by the Ministry of Commerce to develop and promote Indian spices worldwide, aims spice exports of US\$ 3 billion by 2017.
- The Government of India has approved the setting up of five numbers of Mega Food Parks in the states of Bihar, Maharashtra, Himachal Pradesh and Chhattisgarh. The Government plans to set up 42 such mega food parks across the country in next three to four years.

Road Ahead

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 offers several benefits. It would enable adherence to stringent quality and hygiene norms and thereby protect consumer health, prepare the industry to face global competition, enhance product acceptance by overseas buyers and keep the industry technologically abreast of international best practices (Source: Indian Food Industry, Food Processing Industry in India, Statistics- India Brand Equity Foundation www.ibef.org)

Global Rice Industry

Top 10 rice-producing nations account for close to 75% of the output

Global rice production remains highly concentrated, with the top 10 rice-producing countries contributing close to 75% of the total production. In the crop year (July to June) of 2016-17 (CY16-17), the production rose 3% to 486.5 million tonne.

Global rice production

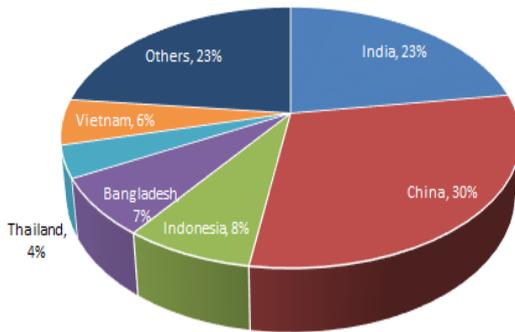
Global rice production in CY17-18 is projected to decline and reach 481.2 million tonne.

(figures in mn tonnes)	2013-14	2014-15	2015-16	2016-17	2017-18 P
Area harvested (000 hectares)	161.8	161.2	159.2	160.7	160.0
Beginning stocks (1000 MT)	113.9	122	127	132	138
Milled production (1000 MT)	478.4	478.7	472.1	486.5	481.2
Rough production (1000 MT)	713.4	713.8	703.8	725.7	717.9
Ending stocks (1000 MT)	114.0	114.6	115.6	138.1	138.9
Yeild (MT/HA)	4.41	4.43	4.42	4.5	4.5

(Source: USDA, CRISIL Research)

Asia's dominance in global production and consumption continues; India and China lead the export market

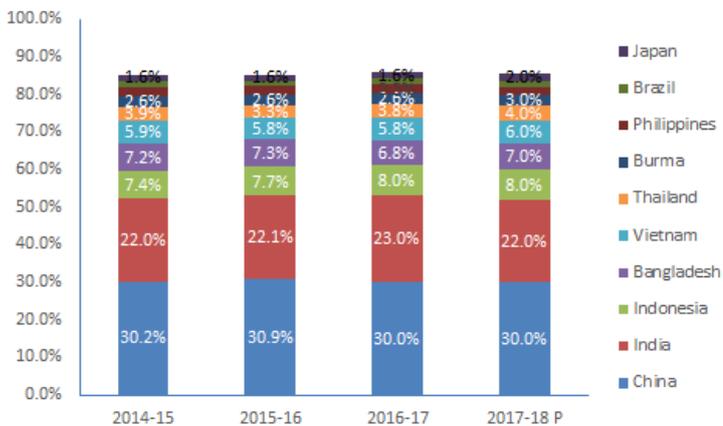
World Rice Production (2016-17)



(Source: USDA, CRISIL Research)

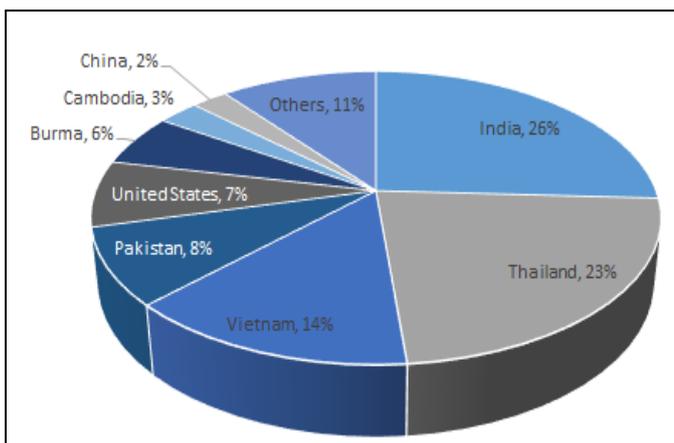
Asia contributes to about 90% of the global rice production and about 80% of consumption. Asia's dominance in production could be attributed to the favourable climatic conditions and sufficient rainfall, as the paddy crop requires a large amount of water for irrigation.

China and India dominate the global rice production



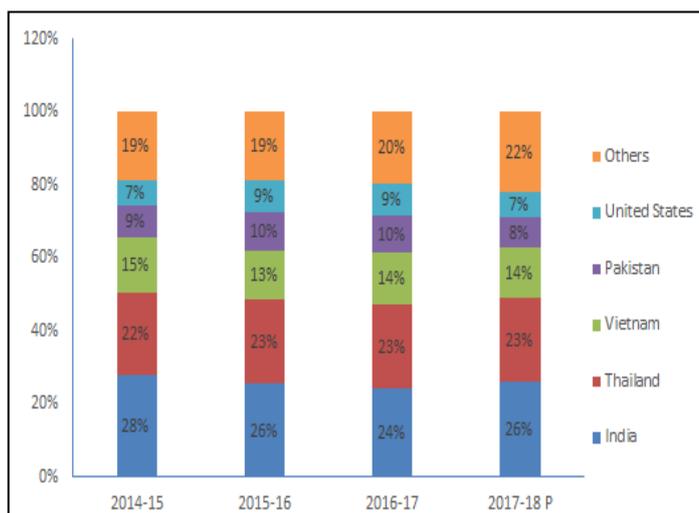
(Source: USDA, CRISIL Research)

Share of major exporting countries (2016-17)



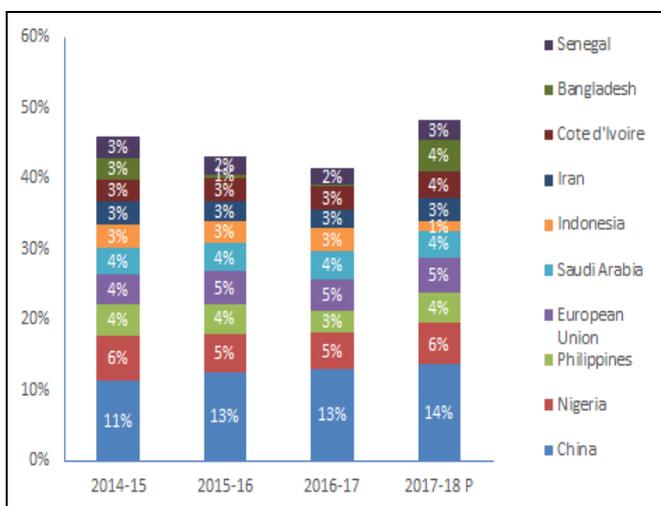
(Source: USDA, Industry, CRISIL Research)

Global rice exports expected to decline slightly in 2017-18



(Source: USDA, Industry, CRISIL Research)

Top 10 importers contribute about 48% of total world import



(Source: USDA, CRISIL Research)

China remains the largest importer of rice

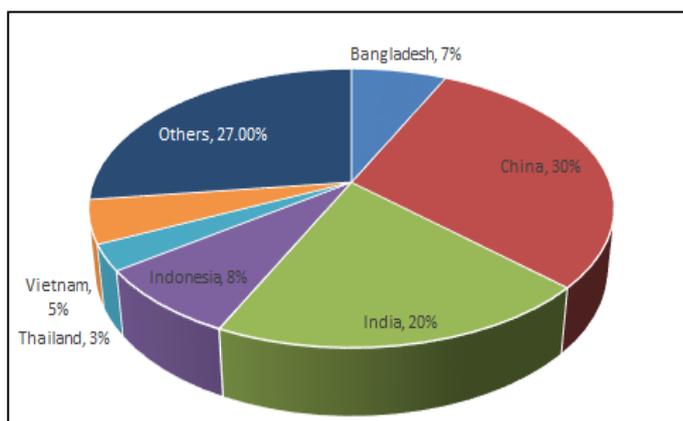
China, Nigeria, Philippines, European Union and Saudi Arabia are the top 5 importers of rice and have maintained their position in the past four to five years. In 2016-17, total world imports stepped up by about 7% primarily led by an increase in imports from China and Nigeria.

China is the largest rice producer, consumer and importer. Production for FY16-17 is estimated to have declined by about 1% and is expected to remain low in FY 2017-18 due to a decline in cultivation area and yields. However, the Chinese domestic consumption is expected to continue to outpace domestic production and imports are expected to increase. For the year 2016-17 China's imports increased by 10%.

During the year 2017-18, additional imports from Bangladesh can be expected as the domestic crop for the country has been lower than expected due to unfavorable weather conditions.

Global break-up in rice consumption (2016-17)

On the consumption side, rice forms a staple diet in the majority of Asian countries, as it is available at a cheaper rate compared with other food crops and is also easier to cook.



(Source: USDA, CRISIL Research)

Indian Rice Industry

Organised players have larger share in basmati rice segment

India is the world's second-largest producer and consumer of rice, after China. The Rs 3 trillion rice milling industry is highly fragmented with over 100,000 rice mills, divided into small, medium and large units, with small and medium enterprises (SMEs) comprising 99% of the total capacity and contributing to 89% of rice production.

However, the basmati rice segment is largely organised, with 60-70% of the production being managed by large players. The need for additional branding and marketing activities discourage SMEs from entering the basmati segment. Besides, it is important for the rice miller to be located close to a paddy-growing region to support paddy milling operations throughout the year.

Further, seasonality of the business impacts working capital requirement, which is volatile during the year. Organised players mainly focus on exports, and are most fully or partially integrated. They manage all the processes: from procurement of paddy, maturing and processing to packaging, branding, and distribution of basmati rice. Some companies also process by-products -- rice bran and husk -- to produce power and oil. Unorganised players lack expertise in procurement and access to high-end technology.

Small players dominate non-basmati rice segment

In the non-basmati segment, less than 10% of the market is organised, given the presence of small players and their limited advertising and sales related spends.

Major government initiatives

➤ **Minimum Support Price (MSP) norms, levy quotas have a significant bearing on rice mills**

The rice milling industry comes under the purview of various government policies, which impact the demand-supply situation. Prominent regulations include minimum support price (MSP) fixed by the government annually to enable farmers to obtain a fair price for their produce. Also, of importance, are the levy quotas imposed by the Food Corporation of India (FCI) and other export-based restrictions, enforced from time to time.

In the levy rice policy, millers are allowed to sell a certain percentage of rice procured by them in the open market, while the remaining (called levy rice) is collected by government agencies at MSP. Guaranteed offtake by FCI protects mills from market volatility

➤ **Guaranteed rice offtake by the FCI is another major policy measure governing the fortunes of this sector**

Besides the 'levy share' collected by the FCI, the remaining quantity can be sold by mills in the open market. Hence, mills entering into contracts with FCI have a guaranteed offtake and receive a levy price for deliveries made to FCI. The percentage of levy collected in various states and the levy price are decided, after considering various factors, including MSP and any bonus paid thereon - before the marketing season begins.

In the domestic market, FCI accounts for the largest offtake (33% of production). The eight states mentioned in the chart below account for around 88% of the procurement by FCI.

However, effective October 1, 2015, no state government has imposed levy on rice from millers (announced on 20th Feb, 2015), which means that they will procure rice for the public distribution system (PDS) from the open market at prevailing market prices. The government has done away with the levy quota to ensure remunerative payments for farmers.

Minimum support price

The government fixes MSP for paddy each year, based on recommendations from the Commission for Agricultural Costs and Prices. MSPs aim to offer farmers remunerative prices for their produce. These prices are announced at the commencement of the season to ensure that market prices remain above the MSP. Farmers perceive the MSP as a guarantee price at which the government will buy their produce.

MSP of paddy over last 10 years

Year	Rs. Per quintal
2005-06	570
2006-07	580
2007-08	645
2008-09	850
2009-10	950
2010-11	1,000
2011-12	1,080
2012-13	1,250
2013-14	1,310
2014-15	1,360
2015-16	1,410
2016-17	1,470
2017-18	1,550

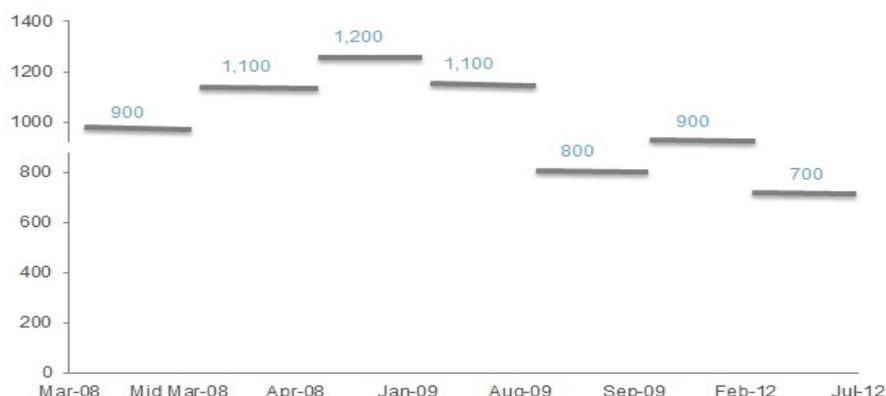
(Source: CRISIL Research)

In June 2016, the government hiked MSP of paddy by Rs 60 to Rs 1,470 per quintal for the 2016-17 kharif season. The hike was because India has sufficient stocks, and the price increase covers cost of production.

➤ **Export restrictions**

In October 2007, the government had banned non-basmati rice exports, considering the lower-than-acceptable level of left-over stocks and decline in overall production. To prevent exports of non-basmati rice under the basmati label, the government introduced a minimum export price (MEP) on basmati rice in 2008. However, this move affected exports of lower-quality basmati rice as well. In February 2012, the MEP was lowered to \$700/tonne and was subsequently fully withdrawn in July 2012.

MEP fully withdrawal in July 2012



(Source: DGFT, CRISIL Research)

➤ **National Food Security Mission**

In October 2007 a centrally-sponsored scheme, National Food Security Mission (NFSM), was launched. The mission targets additional production of 25 million tonnes of food grains, which includes 10 million tonnes of rice. NFSM-rice is implemented in 194 districts across 25 states. In 2015-16, certain modifications were made to the scheme, like seed distribution of rice, seed production incentives for newer varieties or hybrids of rice, inclusion of IPM (integrated pest management) and INM (integrated nutrient management), introduction of farm implements such as laser land leveller, etc, and cropping system-based training for farmers.

➤ **Export Trade policy**

In 2015, export of rice of seed quality and paddy was placed from free to restricted category by the Directorate General of Foreign Trade. The move aimed to curb overseas shipment of basmati rice seeds and ward off any attempt to patent premium Indian basmati rice by other countries. Exports are now permitted under licence, subject to certain conditions, such as submission of a licence to carry on the business of a dealer in seeds and a declaration that the export consignment of seeds has been chemically treated and is not fit for human consumption. The government restricts import of rice seeds. However, import of rice for human consumption is permitted through State Trading Enterprises and the FCI.

Growth drivers

Domestic

Population growth

India's population is currently more than 1.32 billion and is expected to grow at a 1.5% CAGR between 2017 and 2020. A growing population indicates a steady rise in domestic demand for rice, which is a staple food for the majority of Indians.

Growth in per-capita consumption and the shift towards packaged rice

A robust economy and rising income enable more people to opt for quality rice, especially the basmati variety, which is a premium product. In addition, people tend to adapt to changing lifestyles. A few factors, such as the increasing middle-class population, a spurt in organised retail and mall culture, and growth in hotels and restaurants, propel domestic demand for the basmati rice as well as other premium packaged rice varieties. In the near term, per-capita rice consumption is expected to grow at a 1% CAGR over the next two years, driven by higher per-capita income.

Exports

Favourable regulations

The government had lifted its ban on non-basmati rice exports in September 2011, after factoring in a record production, procurement and a comfortable stock position in the country. This has boosted non-basmati rice exports and helped India retain its leadership in the global rice exports in recent years.

Price competitiveness and quality

India offers high-quality basmati and non-basmati rice at very competitive prices. The recent depreciation of the rupee has further enhanced the competitiveness of Indian rice in the international market.

Enablers

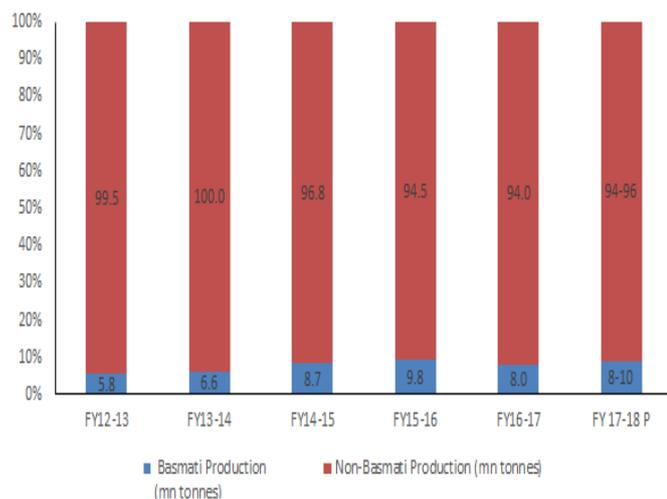
Government Regulations

The government 'dereserved' the rice-milling industry in the late-1990s, allowing non-SMEs to enter the industry. This attracted several large, organised players, leading to decommo-ditisation of the sector to an extent and thus creating a market for packaged and branded rice.

Favourable climatic conditions for cultivation assure constant paddy supply

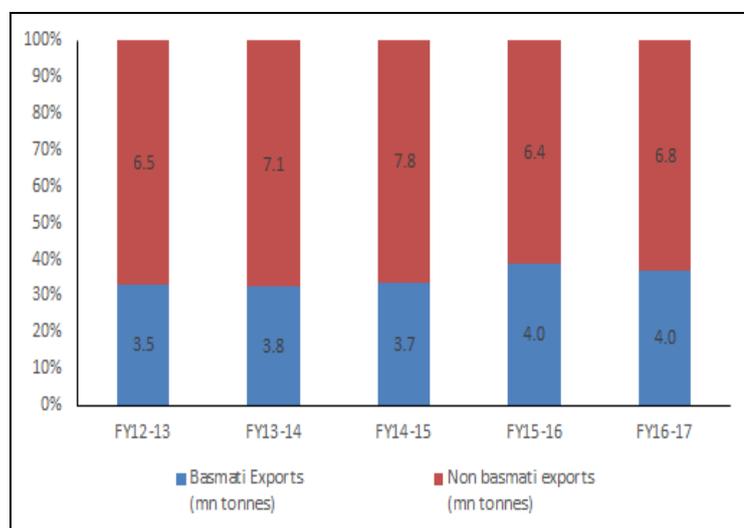
India enjoys a strong edge over other competing markets in rice production. This could be attributed to the favourable climatic conditions (including rainfall, temperature and soil) and access to one of the largest harvesting areas. An uninterrupted supply of paddy is crucial for the rice-milling sector. More than 4,000 varieties of rice are grown across India; 85% of the production happens during the kharif season. India ranks first in the production and export of basmati rice and the second in the production of non-basmati rice, after China.

India's rice production set to improve in 2017-18



Note: The production for 2017-18 has been estimated with the help of 1st advance estimates released by Department of Agriculture and industry resources
(Source: USDA, Industry, CRISIL Research)

India maintained volumes of rice exports while realizations fell for Basmati rice



Source: Directorate General of Commercial Intelligence and statistics, Industry, CRISIL Research

Rice exports showing signs of improvement in 2017-18

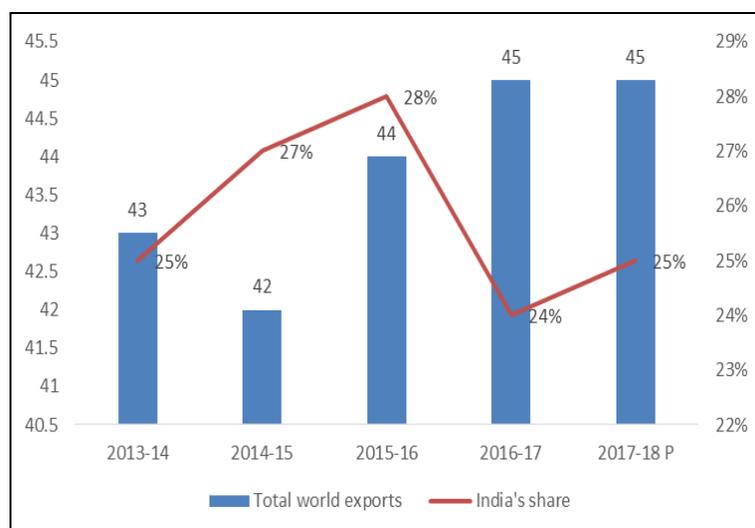
During 2016-17, both basmati and non-basmati exports were lower (in value terms) as the key importing countries like Saudi Arabia, Kuwait and UAE experienced a sluggish economy due to fall in oil prices. The realizations for the Basmati type were lower at the back of a sluggish demand scenario. Exports to Iran fell almost by 50% as the country raised its import duty from 25% to 40% in August 2016 to protect its farmers. Also, the European Union set up stringent rules for rice imports by revising the limit Tricyclazole, a fungicide used by farmers against a disease, to 0.01 mg per kg from 1 mg per kg. In spite of this weak demand scenario, the Indian exporters maintained export volumes while they took a hit on realizations, especially on the Basmati rice in the past two years.

However, going forward, we expect the exports to pick up as the demand in the export market is showing signs of improvement. During the period April-August 2017, the export volumes for Basmati rice stepped by 4% and by 27% in value terms. On the other hand exports of the non-basmati type increased by 8.5% in volume terms and about 20% in value terms. This comes in after two consecutive years of lower realizations for the Basmati rice in the export market. Also Iran started importing from India again from March 2017 re- opening the export market for India. Additionally, China has identified 14 Indian firms from whom it will directly import Basmati rice in future. A possibility of direct export to China is being seen as an opportunity by the Indian exporters.

India continues to remain the largest rice exporter

In spite of a fall in exports, India remained the largest exporter of rice in 2016-17 closely followed by Thailand and Vietnam. India is known for its Basmati rice which has high international demand especially in the USA and the gulf countries. Although the realizations for exports fell, the volumes remain relatively range bound in 2016-17

India's share in total exports (numbers in value terms)



(Source: USDA, Industry, CRISIL Research)

Key Success Factors

Strong brand identity

Strong brand positioning in both the domestic and global markets helps rice mills differentiate their products, attract customers, and build loyalty and trust. With big retail chains expanding their presence, there is greater brand awareness among consumers. A consumer prefers to buy an attractively packaged rice brand of a superior quality, instead of loose, unbranded rice. Unlike packaged rice, loose rice could expose consumers to risks of adulteration and price manipulation. For players, branded rice fetches higher margins than unbranded rice.

Larger distribution networks

Maintaining better relations with agents and customers helps players ensure a stronger distribution network and avoid high transportation costs. Wider distribution networks enable players to push their brands into wholesale and retail outlets faster and with greater ease, thereby giving them an edge over competitors.

Relationship with suppliers (farmers)

Paddy procurement alone constitutes 80-90% of the total cost for rice mills. Through mediators, players can ensure uninterrupted supply of paddy during the procurement season and, thus, reduce price risk. This also instills confidence in farmers, who desire such 'preferred buyers'. Additionally, rice mills can guarantee the supply of high-quality paddy, by offering advance payments and pedigreed seeds to farmers.

Presence across price segments and PAN-India presence

The ability to offer a number of rice varieties enables companies to be present across different price points and cater to a wider customer base. Similarly, it is important for players to have a pan-India presence to build a strong market position.

Diversified customer base

It is important for rice exporters to have a diversified customer base, in view of any potential political or economic uncertainty in a particular country or market.

Key Risks

Regulatory challenges

Any change on the policy front, such as a ban on rice exports or an increase in the minimum support price, affects rice mills.

Working capital intensity

The industry is highly working capital-intensive. Paddy has to be stored for a long time, as it is procured during the kharif season and then processed throughout the year. Moreover, the basmati rice has to be stored for 6-18 months for ageing. Companies could incur huge losses on mismanagement of working capital. Also, the majority of funds raised by players cater to working capital requirement.

Currency fluctuations

India competes with countries, such as Vietnam and Thailand, in the export market. Any significant appreciation of the rupee can lower the mills' profitability.

Use of obsolete technology

Use of traditional and obsolete processing technology could result in low-quality output, in the form of broken rice, discoloured rice or grains of uneven shape and size, as well as other impurities and wastes. Replacing obsolete machinery with modern equipment can mitigate this risk. In addition, running extensive and regular quality checks can ensure production of superior quality rice.

Vagaries of nature

Being an agricultural commodity, paddy is subject to risks, in the form of vagaries of nature. Paddy cultivation requires a large amount of water; unseasonal rain and floods could seriously threaten the crop.



OUR BUSINESS

Business Overview

We are primarily engaged in the business of processing and marketing of branded and un-branded basmati and non-basmati rice in the domestic and international markets. Our operations are based out of the Jammu Region in the State of Jammu and Kashmir. The State of Jammu and Kashmir is divided into three (3) regions. Jammu Region consisting of ten (10) districts namely Jammu, Doda, Kathua, Ramban, Reasi, Kishtwar, Poonch, Rajouri, Udhampur and Samba. Kashmir Valley consisting of ten (10) districts namely Anantnag, Bandipora, Baramulla, Budgam, Ganderbal, Kulgam, Kupwara, Pulwama, Shopian and Srinagar. The third region is the Leh-Ladakh region towards the north-east areas of the state which are not affected by militancy. While, the regions that have been historically affected by militancy are the areas in the Kashmir Valley region of the State, however the other areas of the State like the Jammu and the Leh-Ladakh region have been largely peaceful, except for a few stray incidences, which have not affected their peace and law & order. Further, the geographical distance between Jammu and Kashmir Valley is more than 270 kms.

We believe we are one of the few Indian companies with a presence across the entire rice value chain, which includes procurement, storage, milling, sorting, packaging, branding and distribution. Our product portfolio comprises of Basmati and non-Basmati rice of various kinds including white raw rice, steam rice, broken rice, brown rice and parboiled rice. Along with the varied variety of conventional Basmati and non-Basmati rice, our product portfolio also includes organic Basmati and non-Basmati rice including range of other organic products.

Basmati rice is a premium variety of rice renowned for its flavour, fine texture, distinct aroma, elongation when cooked and which is grown in certain parts of India and Pakistan. Its high value is attributed to the rich soil and climate of the region giving it unique qualities such as strong aroma in both raw and cooked forms.

Besides conventional Basmati and non-Basmati rice, our Company has also forayed into procurement, storage, milling, sorting, packaging, branding and distribution of "Organic" Basmati and non-Basmati rice. Our "Organic" business also includes organic food products such as dry fruits and nuts, pulses, lentin, flours, porridge, spices, garam masalas and super foods like chia seeds, flax seeds, quinoa seeds, etc. Our Company markets and distributes these organic food products under its brand "Nimbark". Our Company has recently in May, 2017 launched its flagship retail store in the name of "**Nimbark - Living the Satvik Way**" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store viz. rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.

Organic farming is a system of farm design and management to create an eco-system, which can achieve sustainable productivity without the use of artificial external inputs such as chemical fertilizers and pesticides. Our Company has facilitated and conducted various training programmes for the farmers to educate them the benefits of organic farming on the lands owned by them. We have been successful in conversion of more than 9000 hectares of conventional agricultural land into "Organic Farming" situated in the states of Jammu and Kashmir, Himachal Pradesh and Uttar Pradesh. For any farm land to be certified as "Organic", National Programme for Organic Production (NPOP) standards require no artificial usage of fertilizers and pesticides on the farm land for a period of two (2) years. Further, crop rotation and other forms of husbandry are being used to maintain soil fertility, including the use of approved materials to control pests and diseases. National Organic Programme (NOP) standards of the USDA require the adherence to the above aspects of farming for a period of four (4) years to be certified as "Organic". These farmers have already been issued NPOP and NOP registrations, which are the technical standards of APEDA, India and the United States Department of Agriculture (USDA), respectively. NPOP standards are also compliant with the standards of organic farming in the European Union. We believe that these registrations provide us with a competitive edge over other players in the Basmati rice industry and enable us to enhance our market share of our organic products. Prior to our procurement of organic basmati paddy we ensure that our farmers have strictly adhered to the standards of organic agricultural methods that are internationally set and regulated by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations, which is further monitored in India by APEDA. Our "Organic" business activities are undertaken under our wholly owned subsidiary, Himalayan Bio Organic Foods Private Limited under our brand "Nimbark".

Whilst we procure Basmati and non-Basmati paddy from Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi, we primarily procure Basmati and non-Basmati paddy from the State of Jammu and Kashmir (J&K) which has diverse physiographic features, agro-climatic variations and existence of cold arid, temperate, inter-mediate and sub-tropical zones within the geographical area in J&K. We also have 125 procurement agents across India for procuring basmati and non-basmati paddy from "*mandis*", except J&K, where we procure basmati and non-basmati paddy directly from farmers due to non-existence of the mandis system. Furthermore, our Company has entered into arrangements with farmers for contract farming for basmati paddy which will enable our Company to closely monitor the quality of the inputs and further optimizing our procurement process.

We have procured 16,063 MT, 41,513 MT, 85,354 MT and 67,518 MT of Basmati and non-Basmati paddy for Six (6) months period ended September 30, 2017 and fiscal 2017, 2016, and 2015, respectively. Our "Organic" paddy procurement was 7643 MT, 8,318 MT, 3,286 MT, 3,105 MT and 2,266 MT for Six (6) months period ended September 30, 2017 and fiscal 2017,



2016, and 2015, respectively. We have various warehouses with the ability to store approximately 50,577 MT of Basmati and non-Basmati paddy at Unit I (Seora) and Unit II (SIDCO) as of June 30, 2017. We also have godowns for storage of 31,809 MT of finished rice.

We currently operate through two (2) rice milling and processing facilities i.e. at Seora (*Unit I*) and SIDCO (*Unit II*). Unit I at Seora comprises of one (1) plant i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice and Unit II at SIDCO comprises of two (2) plants i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice; and (ii) cleaning, polishing, grading and sorting facility for processing of Basmati rice from raw paddy. These processing units are registered with the U.S. Foods and Drug Administration, United States ("*USFDA*") and our Unit I at Seora complies with the requirements of ISO 22000: 2005 for food safety management systems. Both our processing facilities have received the British Retail Consortium ("*BRC*") certification for food safety. In addition, our processing facilities are also Hazard Analysis and Critical Control Point ("*HACCP*") accredited by the British Standards Institution.

We are present across all price points in the Basmati and non-Basmati rice markets *viz.* branded, unbranded and organic. We have an extensive distribution network which enables our products reach states in India like J&K, Delhi, Telangana, Andhra Pradesh and cities like Chennai, Pune. In the international markets, our products are sold and distributed in the USA, Europe and Middle East. Most of our exports are bulk exports or sold under third party labels. In addition to selling Basmati and non-Basmati rice in Europe and USA under third party labels, we also export basmati and non-basmati rice (*both organic and conventional*) under our own brand "Sarveshwar" and "Nimbark". We have arrangements for distribution of Basmati and non-Basmati rice with cash and carry outlets like Walmart's "Best Price" outlets and the Shri Mata Vaishnodevi Shrine Board, a Hindu pilgrimage centre at Jammu.

We have established a research and development centre at our plant to ensure the procurement of quality rice paddy leading to higher yield on processing. We also have a dedicated quality assurance department which ensures that our products meet our customer quality specifications and international certification requirements.

As a part of our marketing strategy, we take part in various national and international trade fairs to promote our products in the national and international markets. We have in the recent past participated in the following trade fairs *viz.* Biofach, Nuremberg; Gulf Food Show, Dubai; Natural Products West Expo, Anaheim; Iran Food Show, Iran; SIAL Food Show, Paris; Biofach, Delhi; AYUSH Natural Show, Mumbai; Summer Fancy Food Show, USA.

We benefit from the experience of our Promoter who is actively involved in our operations, marketing, exports and customer relationship and has been instrumental in implementing our growth strategies. Mr. Rohit Gupta, who is also our Managing Director having over twenty (20) years of experience and is the third (3rd) generation in the family in the rice business.

For Six (6) months period ended September 30, 2017 and fiscal 2017, 2016 and 2015, our total revenues on consolidated basis were ₹ 2,594 million, ₹4,199 million, ₹3,552 million, and ₹2,625 million, respectively and net profit after tax as restated were ₹ 79.29 million, ₹129.64 million, ₹55.38 million, and ₹79.90 million, respectively. Out of the above, our export sales for six (6) months period ended September 30, 2017 and fiscal 2017, 2016, and 2015 were ₹204 million, ₹438 million, ₹642 million, and ₹761 million, respectively, and our domestic sales were ₹1,328 million, ₹3,741 million, ₹2,849 million, and ₹1,763 million, respectively.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Geographical Location

The State of Jammu and Kashmir (J&K) has diverse physiographic features, agro-climatic variations and existence of cold arid temperature, inter-mediate and sub-tropical zones within a small geographical area in J&K. Rice paddy and other crops are cultivated in the plateau regions of J&K and the plains near River Chenab flowing with snow melted water. Most farmers use ancient techniques to grow Basmati rice and use natural organic fertilizers. The climatic conditions of the State are ideal not only for conventional farming but also for organic farming. Whilst we procure Basmati and non-Basmati paddy from Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi, we primarily procure our organic Basmati and non-Basmati paddy from the State of Jammu and Kashmir.

2. Integrated Operations

We believe we are one of the few Indian companies with a presence across the entire basmati rice value chain, which includes, procurement, storage, milling, sorting, packaging, branding and distribution. Such integration provides us with several competitive advantages and allows us to benefit from economies of scale, maintain greater control on the quality of our products, ensure smooth supply chain and inventory management. Further, our in-house quality assurance department and research team assists in conducting laboratory testing to determine the yield of the paddy and after-cooking characteristics of the basmati rice. Our procurement agents are educated to ensure that we secure the best suited



basmati paddy for processing into high quality basmati rice.

Additionally, vertical integration allows us to use the entire Basmati paddy to increase revenue or reduce costs. Once processed, basmati paddy gets processed into basmati rice, bran and husk. In addition to selling whole grain basmati rice and broken basmati rice, respectively, we use the husk for producing steam in the boilers installed in our plants for rice processing. This eliminates the requirement of other sources like coal to produce steam in our processing plants. In addition to the internal use of husk, our Company sells husk and steam for industrial use around our plant for their power consumption requirements. We sell bran to edible oil extraction units and cattle feed without any processing.

3. ***Modern Equipment & Technology coupled with process innovations***

Our Company operates through two (2) rice milling and processing facilities i.e. at Seora (*Unit I*) and SIDCO (*Unit II*). Unit II at SIDCO comprises of two (2) plants i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice; and (ii) cleaning, polishing, grading and sorting facility for processing of Basmati rice from raw paddy. We have invested in modern technology viz. SKADA and equipment imported from recognised suppliers i.e. Buhler, Germany. We believe that our Company's milling and processing technology gives us a competitive edge over most of our competitors. Our processing technology offers high operational efficiency resulting in less percentage of broken rice and provides higher yield to our Company. Our technology, while ensuring that labour requirement is minimal, facilitates quick turnaround time to ensure production of a quality product with lower breakages and better sorting and grading of rice. While processing the basmati paddy, a substantial portion of the processed rice gets normally broken. We believe that our Company's high level of modernization, trained work force and managerial expertise results in a consistent high level of productivity.

4. ***Strong procurement capabilities for conventional and organic basmati paddy***

We have developed our procurement capabilities through the long-standing association of our promoter and management with the basmati rice business, resulting in widespread geographic reach and relationships with procurement agents and farmers. Our procurement capabilities include a presence in nine (9) procurement centers across approximately two (2) organized government monitored agricultural produce markets known as "*mandis*" except from J&K where we procure basmati paddy directly from farmers. We procure basmati paddy from J&K, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi. We further believe that we have sizeable procurement operations in these states as measured by volume of basmati paddy procured. We have procured 16,063 MT, 41,513 MT, 85,354 MT and 67,518 MT of Basmati and non-Basmati paddy for Six (6) months period ended September 30, 2017 and the fiscal 2017, 2016, and 2015, respectively

As of September 30, 2017, we had relationships with approximately 132 procurement agents, or *pucca arityas*. Through this extensive network of procurement from *pucca arityas*, we believe we are able to procure basmati paddy at lower prices from *mandis* in villages in which many of our smaller competitors are not present. In addition, our management team, including our directors interface regularly with the procurement team enabling quick decision-making in the buying process.

We have also, developed strong relationships with basmati paddy farmers, for development and growth of our organic basmati rice business, by using advanced payments, upfront payments and consistent purchases to inspire the faith and confidence of these farmers, enabling us to procure consistent supply of quality organic basmati paddy at low prices during procurement season.

5. ***Access to more than 9000 hectares of organic land for procurement of organic basmati paddy and extensive warehousing capabilities.***

Our Company has developed strong relationships with Basmati paddy farmers including the farmers from whom we procure our organic Basmati paddy, for development and growth of our organic business, by using advanced payments, upfront payments and consistent purchases to inspire the faith and confidence of these farmers. We believe that we have maintained healthy relationship with our farmers, enabling us to procure consistent supply of quality organic basmati paddy at low prices during procurement season.

We also organize the willing farmers to form clusters; enroll them with APEDA; and train them in nutrient and disease management. adherence by the farmers of the standards of organic agricultural methods that are internationally set and regulated by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations. Our Company has facilitated and conducted various training programmes for the farmers to educate them the benefits of organic farming on the lands owned by them. We have been successful in conversion of more than 9000 hectares of conventional agricultural land into "Organic Farming" situated in the states of Jammu and Kashmir, Himachal Pradesh and Uttar Pradesh. These farmers have already been issued NPOP and NOP registrations, which are the technical standards of APEDA, India and the United States Department of Agriculture (USDA), respectively. NPOP standards are also compliant with the standards of organic farming in the European Union.



We believe that these registrations provide us with competitive edge over other players in the Basmati rice industry and enables us to enhance our market share of our organic products. For the procurement of organic Basmati paddy, we strive to ensure the adherence by our farmers of the standards of IFOAM. Our "Organic" business activities are undertaken under our wholly owned subsidiary, Himalayan Bio Organic Foods Private Limited under our brand "Nimbark".

Our Company has also collaborated with the Department of Agriculture, Jammu and Kashmir for organic certification from Control Union Certification Private Limited, Netherlands. Furthermore, our Company has obtained registration from APEDA that certifies that an organic food product conforms to the National Standards of Organic Products which ensures that the product or the raw materials used in the product have been grown through organic farming.

6. ***Focus on Processing and Quality Control***

We have a well-established quality control system that spans the procurement, processing and delivery of conventional as well as organic basmati rice. Prior to procuring basmati paddy, we conduct pre-harvest surveys through visual tests, and quality checks. After procurement, the basmati paddy is checked before loading and unloading into our transportation systems. Upon arrival of paddy at our facilities, the paddy is unloaded only upon checking its quality by our fully equipped modern laboratory. Further, our In Process Quality Control (IPQC) laboratory keeps a check throughout the rice production process. We conduct various quality control procedures, including internal tests and tests conducted by reputable Government and non-Government laboratories, such as container and lorry fumigation, complete testing at the port before loading and fumigation after loading, before our rice is exported to ensure that the customer's consignment meets the required quality standards. We age and grade the Basmati paddy and try and minimise the quantity of broken basmati rice during processing.

Our processing facilities are located on approximately 16.27 acres of land, being 6.11 acres at Seora (*Unit I*) and 11.11 acres at SIDCO (*Unit II*), in Jammu and Kashmir. Our processing facility at Seora operates under a food safety management system which complies with the requirements of ISO 22000:2005. Our Company is also registered with the U.S. Food and Drug Administration, United States ("*USFDA*"). Both our processing facilities have received the British Retail Consortium ("*BRC*") certification for food safety. In addition, our processing facilities are also Hazard Analysis and Critical Control Point ("*HACCP*") accredited by the British Standards Institution.

7. ***Strong culture for research and development***

We are a research driven company with our R&D efforts focused on innovating and improving our processing methods. Research and development is critical to the success and growth of our business and operations. A considerable amount of research is required at every stage of our business. We have in-house laboratories to carry out various research and development activities which are fully equipped with advanced technologies and modern equipment. Our operations include research and development activities carried out to enhance the output of our Basmati and non-Basmati rice. We have set up our R&D facility at Unit II (SIDCO) with an experienced team of six (6) personnel as on September 30, 2017 which assists in conducting laboratory testing to determine the yield and after-cooking characteristics of the basmati rice we expect to eventually sell and liaises with our procurement agents to ensure that we secure basmati paddy best suited for processing into high quality basmati rice. We have and will continue to invest in R&D efforts for product development, productivity improvement and enhancing process efficiency.

8. ***Experienced Management Team***

We benefit from the experience of our Promoter who is actively involved in our operations and has been instrumental in implementing our growth strategies. Our Promoter, together with our management team, have significant experience in the Basmati rice industry across the entire basmati rice value chain. Our Promoter is the third (3rd) generation in the family to be in the rice business. Mr. Suraj Parkash Gupta, who is also our Honorary Chairman, has over forty (40) years of rich experience in the basmati rice industry. He has been instrumental in forming our Company and the source of inspiration behind our Company's goals and ideals. Dr. Gayatri Tandon, who is the Executive Director of our Company has contributed to the development and growth of our organic farming and development of organic products.

Our Strategies

Our business objective is to grow our revenues and profits through increased and diverse product portfolio and thereby increasing our market presence. Our business strategy focuses on the following elements:

1. ***Geographical expansion and presence of our branded products in the Indian market***

We currently sell basmati rice in J&K, Delhi, Telangana, Andhra Pradesh and cities like Chennai, Pune in India under our brand "Sarveshwar". We intend to continue to increase our penetration in the Indian market, essentially through our branded products. In addition, we intend to increase our presence in the Indian market by distributing our branded rice,



both conventional and organic rice, in states such as Maharashtra, Gujarat, Rajasthan, Karnataka, Madhya Pradesh and Goa where we believe the demand for our Basmati, non-Basmati and organic products is high. We also intend to improve our distribution capabilities through periodic assessments of market developments. For example, we are actively pursuing additional tie-ups with retail chains.

We will try and capitalise on our reputation and experience in the basmati rice industry and intend to expand our retail distribution of our branded rice (*basmati, non-basmati and organic*) products and other organic products like dry fruits and nuts, pulses, lentin, flours, porridge, spices, garam masalas and super foods like chia seeds, flax seeds and quinoa seeds. In addition to our retailing plans, we also propose to sell our products to retail chains or distributors, on a franchisee model, who in turn will sell it to the end customers. For this purpose, we have initiated brand building exercises to position ourselves as a strong brand in the Indian rice retail market. Our Company has recently in May, 2017 launched its flagship retail store in the name of "**Nimbark - Living the Satvik Way**" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store *viz.* rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.

2. **Promote our brands in export and domestic markets**

We are focused on branding and in particular increasing our presence in the premium segment of the basmati, non-basmati and organic products in the high margin international markets *viz.* Middle East, Europe, USA and Africa. For our organic products we use the brand "Nimbark" and our brand "Sarveshwar" for Basmati and non-Basmati Rice. We believe that our brands "Sarveshwar" and "Nimbark" are one of the preferred brands for Basmati and non-Basmati rice in Jammu and Kashmir. As a part of our brand building exercise, we participate in various trade fairs around the world *viz.* Biofach, Nuremberg; Gulf Food Show, Dubai; Natural Products West Expo, Anaheim; Iran Food Show, Iran; SIAL Food Show, Paris; Biofach, Delhi; AYUSH Natural Show, Mumbai; Summer Fancy Food Show, USA. We also intend to continue to leverage our products and our long-term relationships and credentials with our international customers to further develop and strengthen our presence in the exports market. We believe that by increasing the share of our own brands for exports, we can increase the profit margins and improve the geographic reach of our exports. We intend to continue our expenditure on brand and brand promotion in future and put in place proper brand building strategies in line with the growth in various market segments. This will help us to maintain and improve our global and local ranking. We believe that our branding exercise will enhance the recall value in the minds of our customers and will help in increasing demand for our products.

3. **Promote and market our organic products under the brand 'Nimbark'**

We believe that our organic Basmati and non-Basmati rice including other organic products *viz.* rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed, etc. marketed under the brand 'Nimbark' have large markets both domestic and international. We intend to focus our sales and marketing efforts to market and distribute our organic products in domestic market by making them available through various distribution channels, retail stores thereby increasing the visibility and market share of our organic products. We also intend to aggressively advertise and promote our brand 'Nimbark' and products through television, radio, web promotion and SMS marketing, hoardings at prominent places, advertisements in magazines and local newspapers, health magazines. Apart from marketing our services through traditional means, we also intend to market our products over the internet by various methods such as Search Engine Optimization (SEO), social media websites, online brand management, banner promotions on various popular websites, POP displays etc. We have also been participating in various exhibitions held at international level like Biofach, Nuremberg; Natural Products West Expo, Anaheim, etc. to promote and market our organic products. Our products under the 'Nimbark' brand are presently available at our retail store at Jammu, though we intend to make them available on a pan-India basis.

Our Business Operations

We are present across the entire basmati rice value chain, which includes procurement, storage, milling, sorting, packaging, branding and distribution. We are also engaged in research and development activities to enhance the aroma of the various kinds of basmati rice we produce, to get better whole grains yield and to reduce the stickiness of the rice. Our product portfolio comprises of basmati rice of various kinds including whole grain rice, broken rice, brown rice, parboiled rice and organic rice.

We sell whole grain and broken basmati rice in branded and unbranded form. As of September 30, 2017, we had fifty nine (59) branded and sixty three (63) unbranded products. Whole grain basmati rice is rice that is not broken during processing. The bran layer in the whole grain basmati rice remains intact and is rich in nutrients and natural fiber. Broken basmati rice is a kind of rice that gets broken during processing and separates from the whole grain basmati rice.



Procurement Process

Purchase of Basmati Paddy

We procured approximately 16,063 MT and 41,513 MT of Basmati and non-Basmati paddy for Six (6) months period ended September 30, 2017 and fiscal 2017 respectively from J&K, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and New Delhi. Our size and access to working capital on relatively favorable terms enables us to source basmati paddy at competitive prices as farmers typically prefer to accept bids for larger quantities. The large size of our operations provides us with the financial strength to compete effectively in the sourcing of basmati paddy with other basmati rice processors, especially in the State of J&K.

Mostly the basmati paddy grown in the fields in India is sold at *mandis*, except in the State of J&K. Prior to the beginning of the season, most of the basmati paddy farmers are financed by middlemen or "*kuccha artiyas*," who are licensed to act as middlemen and purchase basmati paddy, in exchange for the farmers' commitments to sell their paddy exclusively to the *kuccha artiya*. Processors purchase the basmati paddy through agents known as "*pucca artiyas*". Basmati paddy is sold at open auctions overseen by government officials. We have arrangements with *pucca artiyas* who procure the quality and quantity of basmati paddy as per our instructions and specifications.

Since the mandi system is not prevalent in the State of J&K, we acquire rice paddy directly from farmers. We have entered into arrangements with farmers for the sale and purchase of their produce. We typically make advance payments and consistent purchases to instill their faith and confidence in us enabling us to procure consistent supply of quality organic basmati paddy at low prices during procurement season. Our relations with basmati paddy farmers and the procurement agents enable an uninterrupted supply of quality Basmati paddy during the procurement season.

As regards the customers of our products, we do not have any long-term contracts with any of our customers and neither our customers are subject to any contractual provisions or other restrictions that preclude them from purchasing products from our competitors. Our customers issue purchase orders from time to time, which are short-term commitments for specified quantities of basmati rice. As a result, we typically complete the procurement process months before we receive purchase orders from customers, forcing us to rely on historical trends and other market indicators to predict future demand.

Peak and Off-peak season procurement

Proper timing of procurement is critical to the success of our business. Basmati paddy prices are typically lowest during the peak season September through January/March every year. We purchase paddy mostly during the peak season and store the same in our godowns and warehouses at various locations.

The following table provides a breakdown of our peak season and off-peak season procurement of basmati paddy for six (6) months period ended September 30, 2017 and for fiscal 2017, 2016, and 2015:

Particulars	Six (6) months period ended September 30, 2017		2016-2017		2015-2016		2014-2015	
	MT	%	MT	%	MT	%	MT	%
Peak Season	--	--	44,566	90	73,968	87	56,216	83
Off- Season	16,063	100	4,947	10	11,386	13	11,302	17
Total	16,063		49,513		85,354		67,518	

Ageing, Drying and Storage

Ageing of Basmati Paddy

Un-matured basmati paddy must be aged to become marketable and suitable for branding. The ageing process of our basmati paddy ranges between six (6) months to eighteen (18) months. Conventional rice paddy stored for such periods reduces or completely diminishes the effect of pesticides in the paddy. During the various stages of processing some proportion of basmati rice is broken, resulting in a mixture of broken and whole grain basmati rice after polishing. The ratio of broken basmati rice to whole grain basmati rice depends, among other factors, on the maturity of the basmati paddy. Maturing changes the physical and chemical properties of the grain and enhances the fragrance and cooking qualities of basmati rice, eliminates moisture of the basmati rice grain and enhances the rice's texture and flavor.

We currently sell both whole grain basmati rice and broken basmati rice. The broken rice produced by us is sold in the domestic market in India. A grain of broken rice gives a low fiber texture and low nutrient level, while retaining its high energy content.



Matured basmati paddy is less likely to break during processing than un-matured basmati paddy. In fiscal 2016, our average combined holding period for basmati paddy was 1.5 months compared to 5.8 months in fiscal 2015.

Drying of Basmati Paddy

Once received, Basmati paddy must be dried. Moisture in incoming basmati paddy ranges from between 13.0% and 16.0%, which is then stored at our godowns and warehouses. The moisture is then reduced to approximately 11.0% to 12.0% for processing. Our production managers determine when our shipments of paddy must be dried. After a shipment is identified for drying, it is cleansed of impurities before undergoing the drying process. The dried basmati paddy is then bagged and stored again for final ageing at our godowns and warehouses.

Storage of Basmati and non-Basmati paddy and rice

We have warehouses with the ability to store approximately 41,584 MT of Basmati and non-Basmati paddy at Unit I (Seora) and Unit II (SIDCO) as of September 30, 2017. We also have godowns for storage of 27,447 MT of finished rice. Proper warehousing is critical to our business, as the warehousing of rice for more than 12-18 months is required to properly cultivate its desired taste, texture and aroma.

We store paddy in the following manner:

- a) Open Plinth Storage
- b) Godown Storage

In Open Plinth Storage, firstly, plinth of civil work is created at a height of around four (4) feet above the ground. We have created plinth of civil works at our factory premises to store rice paddy, for both organic and conventional rice paddy. The size of the rice stack depends upon the packing size of the paddy bag procured from the local market or mandis. Generally, the stacks are formed with paddy bag size of 35 Kg & 65 Kg.

Currently we have 7 open plinth storage facilities in our factory for storage of paddy. The total area of open plinth is 90,000 sq. ft. wherein 20,700 MT of paddy can be stored.

We also stack rice paddy at various godowns before they are transported to our plants for processing. Most of our godowns are situated near mandis outside the State of J&K from where we procure rice paddy. These godowns are taken on lease basis to store rice paddy which is transported to our plants ensuring appropriate the supply of rice paddy throughout the year. In addition to the above, we also store rice paddy at our open plinth storage facilities and godowns situated at our plant sites.

Inter State Mandi based procurement of rice paddy

Market Identification & Bidding: Our Company procures rice paddy from various mandis at Phagwara, Amritsar, Tarn Taran, Atari, Bhogpur, Bamyal, Fatehgarh, Gurdaspur, Muksar, Raiya, Batala, Jandyala, Ladwa, Patti, Khalra, Amarkote in Punjab, Narela in Delhi, Barabanki, and Nanpadain Uttar Pradesh. Rice paddy is identified and bidding is carried out by the "aartiyas" or commission agents appointed by us. The price is determined by the mandi system depending on factors such as the arrival of paddy in the mandi on the particular day. The procurement department is in contact with the aartis before and during the mandi hours to ensure the procurement of the best possible paddy at a good price. There are generally two aspects to consider in the procurement of paddy (i) handpicked paddy, which has less moisture content and broken; and (ii) machine harvested paddy, which has less broken.

Processing facilities

We currently operate through two (2) modern rice milling and processing facilities located in Jammu in the State of Jammu and Kashmir. These processing units are registered with the U.S. Foods and Drug Administration, United States ("**USFDA**") and our Unit I at Seora complies with the requirements of ISO 22000: 2005 for food safety management systems. Both our processing facilities have received the British Retail Consortium ("**BRC**") certification for food safety. In addition, our processing facilities are also Hazard Analysis and Critical Control Point ("**HACCP**") accredited by the British Standards Institution.

Location	Facility	Products Manufactured
Existing Facilities		
Unit I (Seora):		
Village Seora, Baba Fareed Nagar, P.O Dharap, Bishnah Kunjwani Road, Jammu 181132, Jammu and Kashmir, India.	Rice milling and processing facility with a capacity of 6MTH	<ul style="list-style-type: none"> ▪ Basmati and non-Basmati rice; ▪ Brown rice; ▪ White Rice <p><i>(in the form of raw, steamed and parboiled)</i></p>



Location	Facility	Products Manufactured
		rice)
Unit II (SIDCO):		
Lane No.4, Phase II, SIDCO Industrial Complex, Bari Brahmana, Samba 181133, Jammu and Kashmir, India.	<u>Plant 1</u> : Rice milling and processing facility with a capacity of 8MTH	<ul style="list-style-type: none"> ▪ Basmati and non-Basmati rice; ▪ Brown rice; ▪ White Rice <p>(in the form of raw, steamed and parboiled rice)</p>
	<u>Plant 2</u> : Cleaning, polishing, grading and sorting facility for processing from brown rice to white rice with a capacity of 5MTH	<ul style="list-style-type: none"> ▪ Basmati and non-Basmati rice; ▪ White Rice <p>(in the form of raw, steamed and parboiled rice)</p>

Our processing facilities use modern technology and offer high operational efficiency. As a result, we have been able to ensure the processing of rice paddy into quality products with lower breakages, negligible losses and better sorting and grading processes. The following table sets forth information on the rice processed from rice paddy, processing capacities and capacity utilizations for the periods indicated:

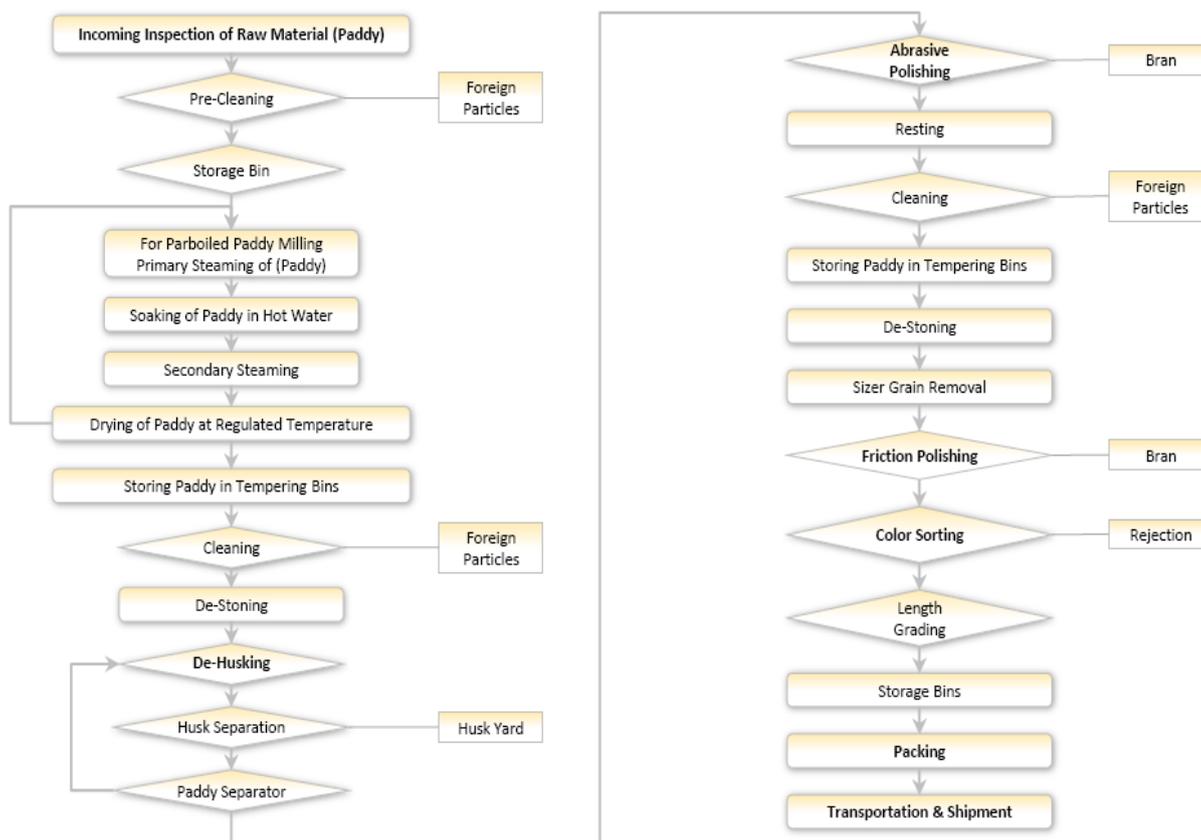
Particulars	Six (6) months period ended September 30, 2017		Fiscal	
	2017	2016	2016	2015
	(MT)	(MT)	(MT)	(MT)
<i>Rice Paddy Processing Capacity:</i>				
Installed Capacity	84,240	84,240	84,240	84,240
Actual Utilization	23,303	53,354	78,299	68,635
Capacity Utilization (%)	55.33*	63.34	92.95	81.48
Total Rice produced from rice paddy	15,146	34,780	50,916	45,050

*Annualised

Particulars	2020		Fiscal	
	2020	2019	2019	2018
	(MT)	(MT)	(MT)	(MT)
Installed Capacity	84,240	84,240	84,240	84,240
Actual Utilization	71,604	67,392	67,392	63,180
Capacity Utilization (%)	85.00	80.00	80.00	75.00
Total Rice produced from rice paddy	45,111	42,457	42,457	39,803

Processing and Manufacturing

When the dried basmati and non-basmati paddy is ready for processing, it is transferred to our processing and manufacturing department. The following flow-chart sets forth information on the steps involved and by-products produced during the various processing methods:



- ❖ **Final Cleaning of Basmati Paddy.** During this stage, the basmati paddy is again cleaned of any light and heavy impurities.
- ❖ **Drying.** The dryer elevator lifts the cooked paddy and drops into the drier. The drying is done by steam provided from the steam heat exchanger. The paddy is circulated in the drier till the moisture content reduces between 13.0% and 15.0%. This is then further tempered for six to ten hours depending upon the quality of paddy. After tempering, it is again dried for about two hours to reduce the moisture between 11.0% and 12.0%.
- ❖ **De-husking.** In this stage, the outer layer of the basmati paddy is removed by machines called de-huskers. The basmati paddy is rubbed against rubber rollers and in the process the husk is removed and the resulting rice is called brown rice.
- ❖ **Whitening.** The brown rice is then polished in abrasive polishers, to remove the bran layer. There are three or four abrasive whiteners through which the rice passes. In this process, the brown rice is rubbed against abrasive stones so that the bran layer on it is removed to make it white rice.
- ❖ **Final Polishing.** The white rice is then sent to fine polishers. In this stage, the rice rubs against each other and, with the help of little water with air pressure, the loose bran layers are removed to get clean white rice.
- ❖ **Color Sorting.** The mixture of whole grain and broken basmati rice is then graded for color. The color sorting machine is an electronic machine, which detects all light and dark impurities which are removed and the remaining white rice is then sent to the next stage.
- ❖ **Rice Grading.** During the various stages of processing some grains of basmati rice are broken, so that the basmati rice after polishing is a mixture of broken and whole grain basmati rice. The mixture of whole grain and broken basmati rice has to be graded based upon size. The grading is done by a number of long cylinders, which have slots of various sizes for grading. The various sizes of basmati rice are sorted and packed in different bags.
- ❖ **Packing.** In the packing section the finished Basmati and Non-Basmati rice is packed in bags of 200 gms to 1,000 kg jumbo bags, which are individually weighed through automated machines i.e. Band sealer, induction sealer, pouch packing machine. Further, these bags are passed to metal detectors to ensure the finished products is free from ferrous, non-ferrous and stainless steel after which, they are ready for dispatch or storage.

The polished basmati rice is then segregated as whole grain rice of different qualities. Broken rice grain of different sizes is also segregated and packaged. The following table sets forth information on the amounts of whole grain rice and broken rice for the periods indicated:

Particulars	2017		Fiscal	
	Six (6) months period ended September 30, 2017 (MT)	(MT)	2016 (MT)	2015 (MT)
Whole Grain	95,789	217,920	335,841	295,407
Broken Rice Grain	55,718	129,874	173,371	155,095
Total	151,507	347,794	509,212	450,502

Brown Rice Processing

In addition to processing rice paddy into rice, we also procure base rice or brown rice for processing.

Organic Basmati and non-Basmati rice and other Products

Besides conventional Basmati and non-Basmati rice, our Company has also forayed into procurement, storage, milling, sorting, packaging, branding and distribution of "Organic" Basmati and non-Basmati rice.

Our "Organic" business also includes organic food products like dry fruits and nuts, pulses, lentin, flours, porridge, spices, garam masalas and super foods like chia seeds, flax seeds and quinoa seeds. Our Company markets and distributes these organic food products under its brand "Nimbark". Our Company has recently in May, 2017 launched its flagship retail store in the name of "Nimbark - Living the Satvik Way" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store viz. rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.



Organic farming is a system of farm design and management to create an eco-system, which can achieve sustainable productivity without the use of artificial external inputs such as chemical fertilizers and pesticides. Our Company has facilitated and conducted various training programmes for the farmers to educate them the benefits of organic farming on the lands owned by them. We have been successful in conversion of more than 9000 hectares of conventional agricultural land into "Organic Farming" situated in the states of Jammu and Kashmir, Himachal Pradesh and Uttar Pradesh. For any farm land to be certified as



"Organic", National Programme for Organic Production (NPOP) standards require no artificial usage of fertilizers and pesticides on the farm land for a period of two (2) years. Further, crop rotation and other forms of husbandry should have been used to maintain soil fertility, including the use of approved materials to control pests and diseases. National Organic Programme (NOP) standards of the USDA require the adherence to the above aspects of farming for a period of four (4) years to be certified as "Organic". These farmers have already been issued NPOP and NOP registrations, which are the technical standards of APEDA, India and the United States Department of Agriculture (USDA), respectively. NPOP standards are also compliant with the standards of organic farming in the European Union. We believe that these registrations provide us with a competitive edge over other players in the Basmati rice industry and enables us to enhance our market share of our organic products. Prior to our procurement of organic Basmati paddy we ensure that our farmers have strictly adhered to the standards of organic agricultural methods that are internationally set and regulated by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations, which is further monitored in India by APEDA. Our "Organic" business activities are undertaken under a separate division i.e. Himalayan Bio Organic Foods under our brand "Nimbark".

Arrangements with Farmers

We alongside our farmers have successfully converted more than 9000 hectares of conventional agricultural land into "Organic Farming". These farm lands are situated in J&K, Himachal Pradesh and Uttar Pradesh. These farmers have been issued NPOP and NOP certifications by APEDA, India and the United States Department of Agriculture (USDA), respectively. These farms are also NPOP compliant, which are the European Union standards for organic farming. Our arrangements with farmers and their certifications provide us a competitive edge over other players in the organic products segment of the agro products market. Prior to our procurement of organic paddy we ensure that our farmers have strictly adhered to the standards of organic agricultural methods that are internationally set and regulated by the International Federation of Organic Agriculture Movements (IFOAM).

We set out below the list of farmers and the districts in which these farm lands are situated:

District/State	Number of Farmers	Area of "Organic" Farm Land (Area in Hectares)
Jammu	4,221	5,843.88
Kathua	651	1,112.12
Bahraich	888	1,193.36
Kangra	842	315.00
Kulgam	497	309.65
Doda	492	245.29
Una	397	180.00
	7,988	9,199.30

Packaging

Product packaging is crucial to our business. In the packing section, the finished Basmati and Non-Basmati rice is packed in bags of 200 gms to 1,000 kg jumbo bags, which are individually weighed through automated machines i.e. Band sealer, induction sealer, pouch packing machine. Further, these bags are passed to metal detectors to ensure the finished products is free from ferrous, non-ferrous and stainless steel after which, they are ready for dispatch or storage. The nitrogen flushing and fumigation is the integral part of facility to ensure clean and hygienic supply of rice. Each of these packs is put in cartons for delivery to the final destinations either in India or overseas. For institutional segment, we use industrial grade packaging.

Marketing, Sales and Distribution Network

For the purposes of marketing and sales we are have divided our domestic sales and marketing operations into two regions viz. Jammu Region consisting of the districts Jammu, Samba, Kathua, Rajouri, Poonch, Kishtwar, Doda, Ramban, Reasi and Udhampur. All other regions in the country including Srinagar Valley and Leh-Ladakh region are considered as a part of Rest of India for the purpose of our marketing and sales initiatives.

Our entire product range is kept stored at our Company's godown at Jammu. Delivery to distributors/wholesalers/ retailers within the Jammu Region is undertaken by our own trucks/ pickup vehicles, whereas supply of our products to Rest of India is outsourced to transport companies to ensure timely dispatch to the distributors/wholesalers/ retailers.

The sale and distribution of our products is undertaken in the following ways:

- ❖ **Distributors:** Our Company has associated with various distributors in the Jammu Region and Rest of India. The territory of distributors has been demarcated and each distributor is given a yearly sales target, which is both in terms of

quantity and value, with a breakup of head rice and retail and bulk consumer targets. We provide back-up support to our distributors if required by them, to meet their targets.

- ❖ **Wholesalers/Retailers:** Some areas that are not covered by a distributor and there are wholesaler or direct retailers who are available for supply of our products, we enter into arrangements with such wholesalers and retailers for the effective distribution of our products in such areas.
- ❖ **Hypermarkets:** We have entered into arrangements for supply of Basmati and non-Basmati rice under our brand with hypermarkets like Wal-Mart, Big-Bazaar, Easyday having their stores at Jammu.
- ❖ **HORECA:** In the Jammu Region, we also supply our products directly to hotels, restaurants and caterers. We believe that we are one of the largest suppliers of basmati and non-basmati rice to hotels and restaurants in State of Jammu and Kashmir. We also supply our products to canteens of major famous highway dhabas of J&K.
- ❖ **Institutions:** Apart from above mentioned distribution channels, our Company also caters to the requirements of various institutions and organisations in the State of J&K.
 - a) *Shri Mata Vaishno Devi Shrine Board, Katra:* Our Company has been associated with the Shri Mata Vaishno Devi Shrine Board for the past ten (10) years for the supply of basmati and non-basmati rice. Shri Mata Vaishno Devi Shrine Board governs the Hindu pilgrimage temple of Mata Vaishnodevi situated in Katra, Jammu at the Trikuta Mountains. We supply more than 8,600 MT of Basmati and non-Basmati rice to them on an annual basis.
 - b) *Indian Army and Paramilitary:* Our Company supplies its products to the Indian Armed and Paramilitary Forces based in the State of J&K like Army Wives Welfare Association (AWWA), Air Force Wives Welfare Association (AFWWA), BSF Wives Welfare Association (BWWA), CRPF Wives Welfare Association (CWWA) and Mess of BSF/CRPF deployed in J&K.
- ❖ **Wholesale/Retail outlets of our Company:** We currently operate five (5) outlets located at prime locations in Jammu. These stores provide all its different brands under one roof to the customers. This also helps in saving the distributor margin on sales as the product is directly sold to the end consumer thereby increase our profit margin.

Our Company has distribution channels for its overseas and domestic markets as set out below:

- ❖ **Overseas Distribution Channels.** We believe we enjoy strong relationships with many of the world's largest buyers of basmati rice, including those in key export destinations such as USA, Europe and Middle East. While most of our export products are unbranded, we have recently launched our own brands for export distribution in the USA.
- ❖ **Domestic Distribution Channels.** In India, basmati rice is primarily sold by distributors to retail outlets that are located in residential areas. Our domestic distribution network consists of 64 distributors across 30 districts who in turn have access to 1,843 retailers. In addition, we have entered into agreements with retail chains to distribute our branded products, including with the Future Group and Wal-Mart.

We set out below the distribution channels of Jammu region:

No.	District	Distributors	Wholesalers	Retailers	HORECA	Modern Retail Shop	Institution	Hypermarkets	Company Outlets
1.	Jammu	12	24	244	31	24	06	03	05
2.	Samba	02	6	11	--	01	--	-	-
3.	Kathua	02	9	11	--	--	--	-	-
4.	Udhampur	02	01	04	--	01	--	-	-
5.	Poonch	0	01	0	--	--	--	-	-
6.	Rajouri	01	03	15	--	--	--	-	-
7.	Doda	01	01	18	--	--	--	-	-
8.	Kishtwar	01	02	07	--	--	--	-	-
9.	Ramban	01	01	14	--	--	--	-	-
10.	Reasi	02	03	03	--	--	--	-	-
	Total	24	51	327	31	26	06	03	05



We set out below the distribution channels of the other parts of India (*other than Jammu*):

No.	District	Distributors	Wholesalers	Retailers	Hypermarkets	Company Outlets
1.	Anantnag	01	--	--	--	--
2.	Bhopal	01	--	--	--	--
3.	Delhi	08	--	--	--	--
4.	Gorakhpur	01	--	--	--	--
5.	Guntur	0	--	--	01	--
6.	Hyderabad	01	--	--	01	--
7.	Indore	03	--	--	--	--
8.	Jabalpur	03	--	--	--	--
9.	Jaipur	01	--	--	--	--
10.	Kakinada	01	--	--	--	--
11.	Malapuram	01	--	--	--	--
12.	Mumbai	03	--	--	--	--
13.	Mumbai	02	--	--	--	--
14.	Nizamabad	01	--	--	--	--
15.	Pune	01	--	--	--	--
16.	Rajahmandry	0	--	--	01	--
17.	Vijaywada	01	--	--	01	--
18.	Vishakhapatnam	01	--	--	--	--
19.	Srinagar valley	09	36	1,497	--	--
20.	Leh	01	04	19	--	--
Total		40	40	1,516	04	--

Products, Sales and Distribution

We sell whole grain and broken basmati rice in branded and unbranded form. We are present across all price points in the branded and unbranded basmati rice markets. We do not have any long-term contracts with any of our customers and neither are our customers subject to any contractual provisions or other restrictions that preclude them from purchasing products from our competitors. Our customers instead submit purchase orders from time to time, which are short-term commitments for specified quantities of basmati rice. As of September 30, 2017, we had fifty nine (59) branded and sixty three (63) unbranded products.

Products

Whole Grain Rice and Broken Rice

We sell both whole grain and broken basmati rice in branded and unbranded form. We have specific brands used exclusively for selling either whole grain or broken basmati rice.

Our whole grain basmati rice is sold in both the retail and wholesale markets. We also sell whole grain basmati rice in the export market either under our own brand or under third party brands. Major brands in which we sell our whole grain Basmati rice include Sarveshwar; Himalayan Pride; Shimla Road; Roland; Bombay Pavilion; Indian Hills; Lazzat Star; Al-Ghamdi; Reshme; Aruj; Ayiti; Chef Pride; Silsila; Golden Star; Swami; Twenty One. We typically sell whole grain basmati rice at more than double the price of broken basmati rice in the market.

In addition, we are also in the process of consolidating all our in-house brands under the brand of Sarveshwar Foods. We intend to continue to increase our penetration in the domestic and export markets, particularly through our branded products.

Unbranded

We sell unbranded products to large distributors primarily in Delhi and Haryana. The following table sets forth information on our unbranded basmati rice products, by segment for the domestic and export markets, the year of its launch, the maximum retail price of these branded products and total sales quantities and total sales for six (6) months period ended September 30, 2017 and for fiscal 2017:

Export/ Domestic	Product	Six (6) months period ended September 30, 2017 (MT)	Sales in Fiscal 2017 (MT)
Export	Basmati	2,206	6,943
	Non-Basmati Rice	264	78
Domestic	Basmati	33,065	61,465
	Non-Basmati Rice	4,838	6,518
Total		40,373	75,004



Parboiled Rice

We also sell parboiled rice. Parboiling is a hydrothermal treatment of basmati paddy and is performed by boiling the basmati paddy before removing the husk. Basmati paddy is hydrated, heated and then dried. Parboiling improves the basmati rice's nutritional profile and changes its texture. Parboiling basmati rice drives nutrients from the bran into the grain such that parboiled white rice is nutritionally similar to brown rice. The starches in parboiled basmati rice become gelatinized, making it harder and glassier than other rice. Parboiled basmati rice is preferred to raw basmati rice in overseas markets on account of customers' cooking preferences.

The parboiling process substantially improves the full grain basmati rice yield and leads to lower production of broken basmati rice. Further, parboiling enables us to process relatively cheaper basmati paddy, thereby lowering overall production costs. We produce parboiled basmati rice largely for overseas markets, and in particular, for markets in the Middle East.

Organic Rice

We commenced organic rice production in fiscal 2015 and sell the organic rice under the brand "Nimbark". We have entered into contract farming arrangements with farmers to encourage them to grow organic rice. The growing area of organic paddy is located in J&K. All the farmers of this project are small holding farmers and are focused on organic and sustainable farming. All these farmers are able to fulfill the farm yard manure requirements internally, maintain the soil fertility organically and follow crop rotation to maintain soil fertility. It typically takes three years of cultivation through organic methods to produce the pure organic harvest. Our organic farming project is certified by APEDA conforming with NPOP and NOP requirements. Our Company has recently in May, 2017 launched its flagship retail store in the name of "Nimbark - Living the Satvik Way" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store viz. rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.

By-products

The two by-products produced as a result of the processing of paddy are husk and rice bran. We use part of the husk produced from the rice processing for firing our boilers in our plant. In addition to the internal use of husk, our Company sells husk and steam for industrial use around our plant for their power consumption requirements. We sell bran to edible oil extraction units and cattle feed without any processing.

Sales Markets - Domestic and Exports

The following table sets forth information on the quantities, amounts and percentage of our total domestic and export sales and our sales to distributors and others for our branded and unbranded basmati rice for the periods indicated:

Particulars	Six (6) months period ended September 30, 2017			Fiscal 2017		
	Quantity	Amount	% of Total Sales	Quantity	Amount	% of Total Sales
	(MT)	(₹ million)	(%)	(MT)	(₹ million)	(%)
<i>Jammu:</i>						
Branded	10,655	711.55	27.67	30,491	1,540.80	36.88
Unbranded	6,344	381.34	14.83	13,668	640.00	15.32
Total	16,999	1,092.89	42.51	44,159	2,180.80	52.19
<i>Rest of India:</i>						
Branded	6,427	463.61	18.03	9,325	610.60	14.61
Unbranded	14,477	753.27	29.30	14,499	896.40	21.45
Total	20,904	1,216.88	47.33	23,824	1,507.00	36.07
<i>Export:</i>						
Branded	63	6.90	0.27	172	14.10	0.34
Unbranded	2,407	189.02	7.35	6,850	423.60	10.14
Total	2,470	195.92	7.62	7,022	437.70	10.48
By-products ⁽¹⁾		65.44	2.55	--	52.90	1.27
Total	40,414	2,571.13	100.00	75,004	4,178.40	100.00



Particulars	Fiscal					
	2016			2015		
	Quantity (MT)	Amount (₹ million)	% of Total Sales (%)	Quantity (MT)	Amount (₹ million)	% of Total Sales (%)
<i>Jammu:</i>						
Branded	26,542	1,169.00	33.48	16,771	811.00	32.14
Unbranded	8,037	334.50	9.58	6,624	294.00	11.65
Total	34,579	1,503.50	43.07	23,395	1,105.00	43.79
<i>Rest of India:</i>						
Branded	12,576	587.80	16.84	6,295	298.80	11.84
Unbranded	15,860	793.20	19.86	4,818	213.40	8.46
Total	28,436	1,281.00	36.69	11,113	512.20	20.30
<i>Export:</i>						
Branded	176	17.30	0.50	247	25.30	1.00
Unbranded	8,988	625.20	17.91	10,133	735.40	29.14
Total	9,164	642.50	18.40	10,380	760.70	30.15
By-products ⁽¹⁾	--	64.20	1.84	--	145.40	5.76
Total	72,179	3,591.20	100.00	44,888	2,523.30	100.00

Domestic

We have a domestic market base of 24 distributors located in 10 districts across the Jammu Region and 17 distributors located in 9 districts across Rest of India as of September 30, 2017. We have also entered into agreements with leading retail chains such as Future Group and Wal-Mart to enhance our distribution network within India. For our distribution in India, we focus primarily on the sale of branded products. Our total income from domestic sales for Six(6) months period ended September 30, 2017 and for fiscal 2017, 2016 and 2015 were ₹2,367 million ₹3,740.70 million, ₹2,848.70 million, and ₹1,762.60 million, respectively, representing a CAGR of 28.51%.

We plan to increase our domestic market penetration by increasing distribution of our products in Maharashtra, Gujarat, Rajasthan, Karnataka, Madhya Pradesh and Goa where we believe there is demand for both whole grain and broken basmati rice

Export Sales

We exported our products to approximately eight (8) institutional customers in more than eight (8) countries till March 31, 2017. We enjoy strong relationships with many of the world's largest buyers of basmati rice, including those in key export destinations such as USA, Europe and Middle East. While most of our export products are unbranded, we have recently launched our own brands for export distribution in certain countries in USA under our brand "Nimbark". Our export revenues for Six (6) months period ended September 30, 2017 and for fiscal 2017, 2016, and 2015 were ₹ 204 million, ₹437.70 million, ₹642.50 million, and ₹760.70 million, respectively.

Transportation and Logistics

All raw materials and finished goods are delivered by trucks. In addition to our own fleet of eight (8) trucks we primarily use external transport providers to deliver our products within India. For our export customers, our products are shipped on FOB/CIF basis. Our plants are well connected by road, rail and ports to major cities of India.

Quality Control

We conduct extensive quality control procedures throughout every stage of our business. We have set stringent quality specifications for both the rice paddy and processed rice and other products. Our procurement teams undertake pre-harvest surveys through visual tests before procurement season to assess the quality, and availability of paddy. They also conduct detailed lab tests and process paddy to assess yield and after-cooking characteristics. The expertise of our team and the procedures they perform ensure that we aim to select only the best quality paddy available for procurement.

After procurement, we conduct additional tests to assess various characteristics and divide the paddy into select grades. Our warehousing facilities are regularly inspected for any evidence of infestation. Further testing is conducted before paddy is processed and before rice is distributed. Tests are carried out by us and by Government agencies, including evaluation of shipping container and vehicle fumigation, both before and after loading.

We have a fully equipped modern laboratory that checks quality at various stages, including throughout the rice production process. Additionally, our quality control department also carries our quality checks throughout the production process. Our processing Unit I at Seora operates under a food safety management system which complies with the requirements of ISO



22000: 2005. Both our processing facilities have received the British Retail Consortium ("**BRC**") certification for food safety. In addition, our processing facilities are also HACCP accredited by the British Standards Institution.

Research and Development

Research and development is critical to the success of our business and operations. A considerable amount of research is required at every stage of our business. We have in-house laboratories to carry out various research and development activities which are fully equipped with advanced technologies and modern equipment. Our quality assurance department undertakes various experiments to improve the parboiling process and research projects to do value addition in the rice products as well as to the by-products thereby enhancing the quality of such products and reducing the production costs to extent possible. In addition, quality assurance department and research team undertake projects in the areas such as creating benchmarks and indices for measurement of quality of paddy and rice, standardizing whitening and polishing processed to reduce broken rice and the use of software to measure physical parameters of paddy and the rice kernel.

Further, we also have dedicated centres to train our farmers towards organic farming, creating awareness of its benefits, process and procedures involved therein.

Environmental, Health and Safety

Our Company is committed to provide a safe, clean and healthy environment and conduct its business and services in a manner so as to prevent harm to people and damage to environment or property. Our Company endeavours to handle the Environment, Health and Safety (EHS) issues with the same responsibility as issues concerning quality, productivity, profitability and cost-efficiency. Our Company actively manages the EHS norms as an integral part of our business, operations and practices. We continuously strive to minimize the pollution at source and that can be achieved by adopting cleaner technologies, reducing the use of natural resources and reusing and recycling wastes. We comply with all local and national environmental laws and regulations, at all the times.

Our Company endeavours to adopt necessary systems such as establishing a system, monitoring and regulating all the health and safety measures to be adopted; providing safe working environment for employees and workers; maintaining and following preventive maintenance schedule and providing information and training to the employees and workers for carrying out safe working operations and carrying out operations taking environmental safety into consideration. Our Company further maintains a safe work environment for our employees. We also conduct regular audits to monitor the various preventive and safety measures adopted, safe and hygienic working environment, providing protective equipment as required to avoid occurrence of any accidents.

Competition

The main competition we face is from other large basmati rice companies. Our main competitors include DD International, Inc., KRBL Limited, LT Foods Limited and Sunstar Overseas Limited. We also face competition from various basmati rice companies in international market. We believe that our market knowledge, customer base and relationships with various other entities, dealers and distributors will help us face competition.

Corporate Social Responsibility

The CSR committee comprises of Mr. Jagdish Lal Sharma; Dr. Tej Partap and Mr. Anil Kumar. We undertake our CSR activities through our trust, Sarveshwar Organic Project Jammu Trust. The CSR activities we undertake are in accordance with a CSR policy adopted by the CSR Committee.

We as a part of our CSR provide facilities such as training, education, implementation, information on organic farming to farmers.

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. These include personal accident policies that cover few of our employees. We have taken standard fire and special insurance policy cover to insure our plant, machinery, building and stocks of basmati paddy stored at the various warehouses. In addition to the above, we also maintain insurance coverage against losses occasioned by fire, electronic equipment policy, boiler and pressure plant policy, plate glass policy, machinery breakdown policy, etc.

Employees

As of November 30, 2017, we had 57 full-time employees and 89 contract labour. We adhere to a policy of nurturing dedicated talent by conducting regular training programmes. We provide training to our employees both as a commitment to their career



development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings.

Intellectual Property Rights

Ms. Radha Rani Gupta, mother of Mr. Rohit Gupta-our promoter, had made 42 applications under various classes with the Trade Marks Registry, New Delhi to register our brands which are mostly related to brands under which we sell our Basmati and Non-Basmati rice viz. "Sarveshwar Select"; "Sarveshwar Unique"; "Sarveshwar Ultra XL"; "Sarveshwar Magic"; "Sarveshwar

Delight"; etc. Our Company has made an application with the Trade Marks Registry to register our logo  under Class 30 which is pending registration as on the date of this Red Herring Prospectus. Further, our Company has also entered into a Trademark License Agreement dated April 29, 2017 wherein Ms. Radha Rani Gupta has licensed the use of trademark "Sarveshwar" in Hindi and English registered under Class 30 to our Company for a period of five (5) years from April 29, 2017. As on the date of this Red Herring Prospectus, 42 applications have been made in the name of Ms. Radha Rani Gupta

Additionally, the logo "Nimbark"  is registered with the Trade Marks Registry, New Delhi and the Office for Harmonization in the Internal Market (Trade Marks and Designs) under various classes.

Further, the organic products including organic rice is sold under the brand "Nimbark" which is registered in the name of Ms. Radha Rani Gupta. Himalayan Bio Organic Foods Private Limited, ("**HBOFPL**"), wholly owned subsidiary of our Company has entered into a Trademark License Agreement dated June 15, 2017 wherein Ms. Radha Rani Gupta has licensed the use of word mark "Nimbark" in English registered under Class 30 to HBOFPL for a period of five (5) years from June 15, 2017.

Property

Our registered office is located at Sarveshwar House, below Gummat, Jammu 180 001, Jammu and Kashmir, India. Our registered office is not owned by us and has been leased by our Company from one of the members of our Promoter Group viz. Mr. Suraj Parkash Gupta. Our Company carries out its business operations from its processing units at Seora and SIDCO of which the premises on which our Unit I (Seora) is situated is leased to our Company by Mr. Rohit Gupta. We have been allotted 88.90 Kanals of land for the premises on which our Company's Unit II (SIDCO) is located. As on the date of this Red Herring Prospectus, our Company has leased two (2) warehouses located in Jammu. One of these warehouses located at National Highway, Traith Morh, near State Bank of India, Bari Brahmana, Samba has been leased to our Company by one of the members of our Promoter Group, Ms. Radha Rani Gupta. Our Company has been paying regular rent to our Promoter Group entities as per the lease agreements.

Our Company has leased nine (9) procurement centres in Jammu from various third parties for procurement of paddy from the farmers.

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Constitution of India grants special status to Jammu and Kashmir among Indian states, and it is the only state in India to have a separate constitution. Article 370 of the Constitution of India states that Parliament of India and the Union Government jurisdiction extends over limited matters with respect to State of Jammu and Kashmir, and in all other matters not specifically vested in Federal governments, actions have to be supported by state legislature. Also, unlike other states, residual powers are vested in state government. Because of these constitutional provisions, the State of Jammu and Kashmir enjoys autonomy not enjoyed by other states.

We set out below certain significant legislations and regulations which generally govern the manufacturing and processing industry in India including the state of Jammu and Kashmir:

Legislations related to manufacturing and processing industry in Jammu and Kashmir:

1. The Export (Quality Control and Inspection) Act, 1963

The Export (Quality Control and Inspection) Act, 1963 was enacted with the objective of providing for the development of the export trade of India through quality control and inspection and for matters connected therewith. The applicability of the Act extends to the Indian Territory as a whole including the State of Jammu and Kashmir. It empowers the Central Government to establish the "Export Inspection Council" in order to advise the Central Government regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export. It also empowers the Central Government to recognise or establish any mark or seal in relation to a commodity for the purpose of denoting that such commodity conforms to a standard specification applicable to it.

2. Foreign Trade (Development and Regulation) Act, 1992

Foreign Trade (Development and Regulation) Act, 1992 (the "*Act*") was enacted with the objective of providing for the development and regulation of foreign trade by facilitating imports into, and enhancing exports from, India. It authorizes the Central Government to formulate and announce the Foreign Trade Policy and also to amend the same from time to time in order to fulfill the objectives of this Act. The Act also empowers the Central Government to appoint a Director General of Foreign Trade who shall advise the Central Government in formulating export and import policy and implementing the policy.

3. The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 was introduced with the object to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. It provides for every unit of weight or measure to be in accordance with the metric system based on the international system of units.

4. The Agricultural Produce (Grading and Marking) Act, 1937

The Agricultural Produce (Grading and Marking) Act, 1937 was enacted with the objective of providing for the grading and marking of agricultural and other produce. It empowers the Central Government to make rules to implement the provisions of the Act including rules regarding fixing grade designation to indicate the quality of any scheduled article, defining the quality indicated by every grade designation, specifying grade designation marks to represent particular grade designations, authorising a person or a body of persons to mark with a grade designation mark any article in respect of which such mark has been prescribed or any covering containing or label attached to any such article, providing for confiscation and disposal of produce marked otherwise than in accordance with the prescribed conditions with a grade designation mark.

5. Draft Food Safety and Standards (Organic Foods) Regulations, 2017

The Ministry of Health and Family Welfare has issued draft regulation on organic food which is aimed at overcoming the problem where a number of food products are being marketed as "organic", but in the absence of a regulatory framework, consumers have no way of checking their authenticity. These regulations have been framed to ensure that the products sold as "organic food" is genuine organic food.

As per the draft regulations, any food offered for sale as 'organic food' should comply with the provisions laid down under either the National Programme for Organic Production (NPOP) administered by the Government of India or the Participatory Guarantee System for India (PGS-India) operated by the ministry of Agriculture and Farmers' Welfare or any other system or standards that may be notified by the Food Authority from time to time. The draft regulation also mandates that such foods not only convey full and accurate information on the organic status of the product, but also carry a certification mark or a quality assurance mark given by any of the notified certification bodies.

The draft however exempts organic food marketed through direct sale by the original producer or producer organisation to the end consumer from verification compliance, but this exemption does not apply to processed organic products.

Industrial and Labour Laws:

6. Factories Act, 1948 ("*Factories Act*")

Factories Act defines a 'factory' to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process.

Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

1. Contract Labour (Regulation and Abolition) Act, 1970;
2. The Jammu and Kashmir Employees' Provident Funds Act, 1961;
3. Employees' State Insurance Act, 1948;
4. Minimum Wages Act, 1948;
5. Payment of Bonus Act, 1965;
6. Payment of Gratuity Act, 1972;
7. Payment of Wages Act, 1936;
8. Industrial Disputes Act, 1947; and
9. Employees' Compensation Act, 1923.

Intellectual Property Laws:

7. Trade Marks Act, 1999

The Indian law on trademark is enshrined in the Trade Marks Act of 1999. Under the existing Act, a trademark is a mark used in relation to goods and/or services so as to indicate a connection between the goods or services being provided and the proprietor or user of the mark. A 'Mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style, the shape of goods other than those for which a mark is proposed to be used, or any combination thereof or a combination of colours and so forth. The trademark once it is applied for is advertised in the trademarks journal, oppositions, if any, are invited and after satisfactory adjudication of the same, is given a certificate of registration. The right to use a mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fees.



HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as a private limited company, at Jammu and Kashmir, India under the Companies Act, 1956 in the name of Sarveshwar Overseas Private Limited vide Certificate of Incorporation dated August 3, 2004. Fresh Certificate of Incorporation dated April 13, 2010 was issued to the Company pursuant to change of name of our Company to Sarveshwar Organic Foods Private Limited. Subsequently, fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 29, 2010 was issued by RoC, Jammu and Kashmir. Further, the name of our Company was changed to Sarveshwar Foods Limited pursuant to which our Company has received a fresh Certificate of Incorporation dated June 29, 2015.

Our Company, in the year 2010 acquired the business and assets excluding land and building due to Article 370 of the Indian Constitution which grants special autonomous status to the state of Jammu and Kashmir, of M/s. Nimbark Rice Mills, proprietorship firm of Ms. Radha Rani Gupta. The firm was valued at book value to an aggregate of ₹4.46 million. As regards to use of Land and Building, our Company has been granted a right to use the Land and Building for a period of five (5) years which was valued at ₹2.10 million, post which our Company was required to pay monthly rent for use of the same. Our Company is now paying a monthly rent of ₹0.25 million to Ms. Radha Rani Gupta for usage of the Land and Building which is currently being used as a warehousing facility.

Further in the year 2013, our Company acquired the assets and liabilities of M/s. Sarveshwar Overseas, sole Proprietorship firm of our Promoter, Mr. Rohit Gupta for an aggregate amount of ₹165.23 million at book value. Our Company issued Equity Shares worth ₹90.00 million and the balance amount of ₹75.23 million was treated as unsecured loan provided by Mr. Rohit Gupta to our Company.

Later in the year 2015, pursuant to a Takeover Agreement dated April 28, 2015, our Subsidiary, Sarveshwar Overseas Limited acquired the assets and liabilities of M/s. Sarveshwar Overseas Mills, Partnership Firm, as a going concern by way of issue of Equity Shares of our Company, being consideration other than cash.

Changes in registered office of our Company since incorporation

There have been no changes in the registered office of our Company since its incorporation.

Main Objects

The main objects of our Company as contained in its Memorandum of Association are:

1. To carry on the business of producing, manufacturing, trading, treating, processing, refining, importing, exporting, purchasing, selling, exchanging, dealing in and acting as brokers, agents, contractors, technical advisers, consultants, stockists, distributors and suppliers of all kinds of AGRO FOOD PRODUCTS like Rice, Wheat, Bazra, Zowar, Cereals, Dals, Food Grains, Edible Oils etc.
2. To purchase, take on lease, hire and otherwise acquire maintain and work Rice, Wheat, Bazra, Zowar, Cereals, Dals, Food Grains, Edible Oils, Ice Factories, Cold Storage and Other Factories, Mills, Works and Plants.
3. To start agencies, shops in different parts of India and elsewhere as the Board of Directors may decide for the sale and distribution of the products of the Company or for expansion thereof of the business.
4. To take over the assets and liabilities of M/s. Nimbark Rice Mills, Proprietorship Concern situated at Bari Brahmana, Jammu-(J&K).
5. To takeover the existing /running business assets and liabilities of M/s. Sarveshwar Overseas, proprietorship Concern situated at Bari Brahmana, Jammu – (J&K).

The main objects clause and objects incidental or ancillary to the main objects as contained in the Memorandum of Association enable our Company to undertake its existing activities.



Amendments to the Memorandum of Association of our Company

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association:

No.	Date of Amendment / Shareholders Resolution	Amendment
1.	January 30, 2010	<p><u>Change in main object clause:</u></p> <p>Clause III(A) of the MoA was altered by inserting the following sub-clause III(A)(4) in addition to the existing main object:</p> <p><i>"III(A)(4) To takeover the assets and liabilities of M/s. Nimbarak Rice Mills, Proprietorship Concern situated at Bari Brahmna, Jammu-(J&K)."</i></p>
2.	January 30, 2010	<p><u>Change in authorised share capital:</u></p> <p>Increased Authorised Share Capital from ₹100,000 comprising of 1,000 Equity Shares of ₹100 each to ₹2,500,000 comprising of 25,000 Equity Shares of ₹100 each.</p>
3.	March 18, 2010	<p><u>Change in name of our Company:</u></p> <p>Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Sarveshwar Overseas Private Limited" to "Sarveshwar Organic Foods Private Limited".</p>
4.	June 18, 2010	<p><u>Conversion from private limited to public limited:</u></p> <p>Clause I of the Memorandum of Association was altered to reflect the conversion of our Company from private limited to public limited.</p> <p>Conversion of our Company from private limited to public limited</p>
5.	August 30, 2012	<p><u>Change in authorised share capital:</u></p> <p>Increased Authorised Share Capital ₹2,500,000 comprising of 25,000 Equity Shares of ₹100 each to ₹100,000,000 comprising of 1,000,000 Equity Shares of ₹100 each.</p>
6.	December 27, 2012	<p><u>Sub-division of face value of Equity Shares:</u></p> <p>Sub-division of face value of Equity Shares from ₹100 to ₹10 each. The Equity Shares on sub-division of the face value then amounted to 10,000,000 Equity Shares of ₹10 each.</p>
7.	March 15, 2013	<p><u>Change in main object clause:</u></p> <p>Clause III(A) of the MoA was altered by inserting the following sub-clause III(A)(5) in addition to the existing main object:</p> <p><i>"III(A)(5) To takeover the existing /running business assets and liabilities of M/s. Sarveshwar Overseas, proprietorship Concern situated at Bari Brahmna, Jammu – (J&K)."</i></p>
8.	August 13, 2013	<p><u>Change in main object clause:</u></p> <p>Clause III(A) of the MoA was altered by inserting the following sub-clause III(A)(6) in addition to the existing main object:</p> <p><i>"III(A)(6) To take over, acquire any units/establishments, proprietorship firms, partnership firms, bodies corporate/ companies, domestic or foreign, carrying on the business similar to that of the company together with all their rights, assets and liabilities."</i></p>



No.	Date of Amendment / Shareholders Resolution	Amendment
9.	August 13, 2013	<p><u>Change in incidental or ancilliary object clause:</u></p> <p>The MoA was altered by inserting a new Clause 32 under the incidental or ancilliary object clause:</p> <p><i>"32 to invest the funds of the Company in other firms, entities, bodies Corporate/ Companies incorporated in India or foreign companies or entities registered under their respective laws in shares, stocks, debentures, debenture-stocks, bonds, securities of such firms, entities, companies for the purposes of its business in or upon such investments or securities and in any such manner as may from time to time be determined."</i></p>
10.	March 28, 2015	<p><u>Change in main object clause:</u></p> <p>Clause III(A) of the MoA was altered by deleting the following sub-clause III(A)(6) from the existing main object:</p> <p><i>"III(A)(6) To take over, acquire any units/establishments, proprietorship firms, partnership firms, bodies corporate/ companies, domestic or foreign, carrying on the business similar to that of the company together with all their rights, assets and liabilities."</i></p>
11.	June 13, 2015	<p><u>Change in name of our Company:</u></p> <p>Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Sarveshwar Organic Foods Private Limited" to "Sarveshwar Foods Limited".</p>
12.	February 27, 2017	<p><u>Change in authorised share capital:</u></p> <p>Increased Authorised Share Capital from ₹100,000,000 comprising of 10,000,000 Equity Shares of ₹10 each to ₹300,000,000 comprising of 30,000,000 Equity Shares of ₹10 each.</p>

Shareholders of our Company

As on the date of this Red Herring Prospectus, our Company has seven (7) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Year	Key Milestones
2004	Incorporation of our Company
2007	Setting up our first plant at Seora with 6 TPH milling capacity
2010	Converted from private to public limited company
2012	<ul style="list-style-type: none"> ▪ Setting up of second plant of our Subsidiary, Sarveshwar Overseas Limited at SIDCO with 8 TPH milling capacity ▪ Foray into organic products
2013	Our Company was granted registration certification from APEDA for registering certain products.
2015	<ul style="list-style-type: none"> ▪ Certification that rice milling and processing unit, Unit I (Seora) has been verified and granted registration for export of rice to China
2017	<ul style="list-style-type: none"> ▪ Launch of its flagship retail store in Jammu for organic products. ▪ GFSI Certification from Costco Wholesale, USA

Other Details Regarding our Company

For information on our activities, services, growth, technology, geographical presence, market, managerial competence, our standing with reference to our prominent competitors and major customers and suppliers, please refer to sections titled "Our



Business"; "Industry Overview"; "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 96; 79; 16; and 177; respectively of this Red Herring Prospectus. For details of our management, please refer to section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.

Time and Cost Overrun

There have been no time/cost overruns pertaining to our business operations since incorporation.

Strikes or Labour Unrest

Our Company has not lost any time on account of strikes or labour unrest as on the date of this Red Herring Prospectus.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There are no defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity in relation to our Company.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Capital raising (Debt / Equity)

Except as set out in the sections titled "Capital Structure" and "Financial Indebtedness" beginning on pages 60 and 185 respectively of this Red Herring Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

Changes in the activities of our Company during the last five (5) years

There have been no changes in the activity of our Company during the last five (5) years preceding the date of this Red Herring Prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

Revaluation of Assets

Our Company has not revalued its assets as on the date of this Red Herring Prospectus.

Awards and Accreditations

We have received the following accreditations:

No.	Issuing Authority	Certification	Certification No.	Date of granting License/ Approval	Validity
Certifications obtained by our Company					
1.	Kosher	Star-K Kosher Certification	--	October 16, 2017	October 31, 2018
2.	SGS United Kingdom Limited	BRC Global Standard Certification <i>(Our Company at address Village Seora, Baba Fareed Nagar, PO Dharap Bishnah – Kunjwani Road, Jammu – 181132, has been certified as meeting the requirements of Global Standard for Food Safety for the following activities: Manufacturing, Grading & Packing Basmati & Non Basmati Rice in Woven Jute Bags, Laminated Pouches & HDPE bags. Product Categories: 15)</i>	IN12/40184	August 29, 2017	August 10, 2018
Certifications obtained by our Subsidiary					
3.	SGS United Kingdom Limited	BRC Global Standard Certification <i>(our subsidiary at address SIDCO Industrial Complex, Bari Brahmana, Jammu – 181132, has been certified as meeting the requirements of Global Standard for Food Safety for the following activities:</i>	IN15/818842709	August 29, 2017	August 4, 2018



No.	Issuing Authority	Certification	Certification No.	Date of granting License/ Approval	Validity
Certifications obtained by our Company					
		<i>Manufacturing & Packing of Rice in PP & Jute bags with LDPE Liner, Product Categories: 15)</i>			

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation since incorporation, except as disclosed below:

Acquisition of business of M/s. Nimbark Rice Mills, 2010

Our Company, in the year 2010 acquired the business and assets (excluding land and building due to Article 370 of the Indian Constitution which grants special autonomous status to the state of Jammu and Kashmir), of M/s. Nimbark Rice Mills, proprietorship firm of Ms. Radha Rani Gupta. The firm was valued at book value to an aggregate of ₹4.46 million. As regards to use of Land and Building, our Company has been granted a right to use the Land and Building for a period of five (5) years which was valued at ₹2.10 million, post which our Company was required to pay monthly rent for use of the same. Our Company is now paying a monthly rent of ₹0.25 million to Ms. Radha Rani Gupta for usage of the Land and Building which is currently being used as a warehousing facility.

Acquisition of business of M/s. Sarveshwar Overseas, 2012

Our Company, in the year 2012 acquired the assets and liabilities of M/s. Sarveshwar Overseas, sole Proprietorship firm of our Promoter, Mr. Rohit Gupta for an aggregate amount of ₹165.23 million at book value. Our Company issued Equity Shares worth ₹90.00 million and the balance amount of ₹75.30 million was treated as unsecured loan provided by Mr. Rohit Gupta to our Company.

Acquisition of business of M/s. Sarveshwar Overseas Mills, 2015

Pursuant to a Takeover Agreement dated April 28, 2015, our Subsidiary, Sarveshwar Overseas Limited acquired the assets and liabilities of M/s. Sarveshwar Overseas Mills, Partnership Firm, as a going concern by way of issue of Equity Shares of our Company, being consideration other than cash.

Other Agreements

Except the agreements disclosed above under "Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc." beginning on page 119 of this Red Herring Prospectus, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two (2) years preceding this Red Herring Prospectus.

Holding Company

Our Company does not have a holding company as on the date of this Red Herring Prospectus.

Subsidiaries of our Company

As on the date of this Red Herring Prospectus, our Company has two (3) subsidiaries, details of which are set out below:

1. Sarveshwar Overseas Limited ("SOL")

Corporate Information

SOL was incorporated under the laws of India under the previous Companies Act, 2013 on April 28, 2015 bearing Registration Number U15122JK2015PLC004378.

SOL is currently engaged in milling, processing, manufacturing and exporting basmati and non-basmati rice. The registered office of SOL is situated at 119-A, Canal Road, Jammu 180001, Jammu and Kashmir, India.



Capital Structure

Particulars	Equity shares of ₹10 each
Authorised share capital	15,000,000
Issued, subscribed and paid-up equity share capital	15,000,000

Shareholding Pattern as on the date of this Red Herring Prospectus

(Face value of ₹10 each)

Particulars	No. of equity shares	Percentage (%)
Sarveshwar Foods Limited	14,850,000	99.00
Mr. Rohit Gupta	149,400	0.10
Mr. Suraj Parkash Gupta	100	Negligible
Ms. Radha Rani Gupta	100	Negligible
Ms. Pooja Gupta	100	Negligible
Mr. Ram Rattan Gupta	100	Negligible
Mr. Anil Kumar	100	Negligible
Ms. Navnidhi Gupta	100	Negligible
Total	15,000,000	100.00

2. Himalayan Bio Organic Foods Private Limited ("HBOFPL")

Corporate Information

HBOFPL was incorporated under the laws of India under the Companies Act, 2013 on February 9, 2015 bearing Registration Number U15490JK2015PTC004325.

HBOFPL is currently engaged in manufacturing, branding, retailing and distribution of organic products. The registered office of HBOFPL is situated at House No. 119 A, Sarveshwar Bhawan, Canal Road, Jammu 180001, Jammu and Kashmir, India.

Capital Structure

Particulars	Equity shares of ₹100 each
Authorised share capital	500,000
Issued, subscribed and paid-up equity share capital	500,000

Shareholding Pattern as on the date of this Red Herring Prospectus

(Face value of ₹100 each)

Particulars	No. of equity shares	Percentage (%)
Sarveshwar Foods Limited	4,999	99.98
Mr. Rohit Gupta	1	0.02
Total	5,000	100.00

3. Natural Global Foods DMCC

Corporate Information

Natural Global Foods DMCC, having registration number DMCC101789, is a company with limited liability established on December 07, 2017 in Dubai, United Arab Emirates.

Natural Global Foods DMCC has licences for trading in a) Foodstuff & Beverages, b) Grains, Cereals & Legumes, c) Honey & Apiary Accessories, and d) Natural Herbs. The registered office of the company is situated at Dubai Multi Commodities Centre in Dubai-United Arab Emirates. As on date, the company has not started business operations.

Accumulated Profits or Losses of our Subsidiaries

There are no accumulated profits or losses of our Subsidiaries, not accounted for, by our Company.



Other Confirmations

- Our Subsidiaries have not made any public or rights issue in the last three (3) years.
- Our Subsidiaries are not listed nor has it been refused listing on any stock exchange in India or abroad.
- Our Subsidiaries have not become a sick company under the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further no winding up, insolvency or bankruptcy proceedings have been initiated against it.

Interest of the Subsidiaries in our Company

- Our Subsidiaries do not hold any Equity Shares in our Company.
- Our Subsidiaries do not have any business interest in our Company except as stated under section titled "Our Business" and "Related Party Transactions" beginning on pages 96 and 140 respectively of this Red Herring Prospectus. For further details of the transactions between our Company and our Subsidiary, please refer to section titled "Related Party Transactions" beginning on page 140 of this Red Herring Prospectus.

Material Transactions

Other than as disclosed under section titled "Related Party Transactions" beginning on page 140 of this Red Herring Prospectus, there are no sales or purchase between our Company and our Subsidiary where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common pursuits

Our Company and its subsidiary are engaged in the same line of activity i.e. processing and marketing of branded and unbranded basmati and non-basmati rice in the domestic and international markets. Further, the main objects of the MoA of our Subsidiary enable them to engage in, the same line of business as that of our Company. This may have a potential conflict of interest in addressing business opportunities and strategies in circumstances where the interest of our Company may be similar to that of our Subsidiary. Such business opportunities may create conflict of interest for our Promoter.

Except as disclosed in this section, our Promoter does not have any interest in any ventures that is involved in the same line of activity or business as that of our Company.

Business interest between our Company and our Subsidiary

Except where our Subsidiary as disclosed under section titled "Our Business"; Financial Information" and "Related Party Transactions" beginning on pages 96; 142 and 140 respectively of this Red Herring Prospectus, our Company and our Subsidiaries do not have any business interest in our Company.

Collaboration Agreements

As on the date of this Red Herring Prospectus, our Company is not a party to any collaboration agreements.

Shareholders Agreements

Our Company has not entered into any shareholder's agreement as on the date of this Red Herring Prospectus.

Material Agreements

Our Company has not entered into any material agreements, other than the agreements entered into by it in normal course of its business.

Joint Venture Agreement

Our Company has not entered into any material joint venture agreements except as disclosed under this section.

Other Agreements

Our Company has not entered into any other material agreements, other than in the normal course of its business.



Strategic Partners

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

Financial Partners

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



OUR MANAGEMENT

Board of Directors

As per the Articles of Association our Company shall not appoint less than four (4) and more than fifteen (15) Directors. Currently, our Company has six (6) Directors and one (1) Honorary Chairman. Out of six (6) directors, three (3) are Executive Director and three (3) are Independent Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Red Herring Prospectus:

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Red Herring Prospectus
<p>Mr. Suraj Parkash Gupta</p> <p><u>Designation:</u> Honorary Chairman</p> <p><u>Address:</u> 119 A, Canal Road, Jammu 180001, Jammu and Kashmir, India.</p> <p><u>Date of Appointment:</u> February 1, 2016</p> <p><u>Term:</u> --</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 02715272</p>	77 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Rohit Gupta</p> <p><u>Designation:</u> Managing Director</p> <p><u>Address:</u> 119 A, Canal Road, Jammu 180001, Jammu and Kashmir, India.</p> <p><u>Date of re-appointment:</u> June 19, 2017</p> <p><u>Term:</u> Five (5) years from June 19, 2017</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 02715232</p>	48 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Sarveshwar Overseas Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Himalayan Bio Organic Foods Private Limited; ▪ Himalayan Ancient Foods Private Limited. <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Anil Kumar</p> <p><u>Designation:</u> Executive Director</p> <p><u>Address:</u> Shiva Colony, Traith More, Bari Brahmana, Samba, Jammu 181133, Jammu and Kashmir, India.</p> <p><u>Date of re-appointment:</u> June 19, 2017</p> <p><u>Term:</u> Five (5) years from June 19, 2017</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 07417538</p>	40 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Sarveshwar Overseas Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Himalayan Bio Organic Foods Private Limited ▪ Himalayan Ancient Foods Private Limited <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil



Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Red Herring Prospectus
<p>Dr. Gayatri Tandon</p> <p><u>Designation:</u> Executive Director</p> <p><u>Address:</u> H.No102/2, Shiv Nagar, Talab, Tillo, Jammu 180001, Jammu and Kashmir, India.</p> <p><u>Date of re-appointment:</u> January 28, 2017</p> <p><u>Term:</u> Five (5) years from January 28, 2017</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 07417422</p>	41 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Sarveshwar Overseas Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Himpure Bioagri Products Private Limited <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Thyagarajan Kumaran</p> <p><u>Designation:</u> Additional Director (Independent)</p> <p><u>Address:</u> Flat No 1B, Jamals, 48, Rangarajapuram main road, Kodambakkam, Chennai 600 024, India.</p> <p><u>Date of appointment:</u> May 11, 2017</p> <p><u>Term:</u> Five (5) years from May 11, 2017</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Business</p> <p><u>DIN:</u> 07465316</p>	62 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Shree Ambika Sugars Limited <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Dr. Tej Partap</p> <p><u>Designation:</u> Additional Director (Independent)</p> <p><u>Address:</u> H.No.-91, Ward No.-03, Near Raghunathpur Temple, Kullu 175 101, Himachal Pradesh, India.</p> <p><u>Date of appointment:</u> May 11, 2017</p> <p><u>Term:</u> Five (5) years from May 11, 2017</p> <p><u>Nationality:</u> Indian</p> <p><u>Occupation:</u> Professional</p> <p><u>DIN:</u> 07818713</p>	65 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Jagdish Lal Sharma</p> <p><u>Designation:</u> Additional Director (Independent)</p> <p><u>Address:</u> H. No. 107, Lane No. 10, Greater Kailash, Jammu 180011, India.</p> <p><u>Date of appointment:</u> July 10, 2017</p> <p><u>Term:</u> Five (5) years from July 10, 2017</p>	62 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p>



Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Red Herring Prospectus
<u>Nationality:</u> Indian <u>Occupation:</u> Retired IPS (DIG) <u>DIN:</u> 07874555		▪ Nil

Family Relationships between the Directors

None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act, our Honorary Chairman, Mr. Suraj Parkash Gupta is the father of Mr. Rohit Gupta.

Brief biographies of the Directors

- Mr. Suraj Parkash Gupta**, aged 77 years, is the honorary Chairman of our Company. He has been the Chairman of our Company since February 1, 2016. He has cleared his higher secondary examination from Sri Ranbir Multiltral Higher Secondary School. He has more than forty (40) years of rich experience in the basmati rice industry. He has been instrumental in forming our Company and the source of inspiration behind our Company's goals and ideals.
- Mr. Rohit Gupta**, aged 48 years, is the Promoter and Managing Director of our Company. He has obtained his Bachelors of Commerce degree from University of Jammu. He has an extensive experience of more than two (2) decades in the basmati rice industry. Under the able guidance and directorship of Mr. Gupta, our Company was awarded the "Best Industry Award" from Mr. Omar Abdulla, the former Chief Minister of Jammu and Kashmir.
- Mr. Anil Kumar**, aged 40 years, is the Executive Director of our Company. He has been associated with our Company since August 3, 2004. He has cleared his intermediate (higher secondary) from K.V. Air Force Station, Sarsawa. He has over a decade of experience in purchase and sale of paddy and rice. He looks into the general management of our Company. Budgetary controls, maintaining employee relations and team building are few of the areas which can be attributed to his contribution to our Company.
- Dr. Gayatri Tandon**, aged 41 years, is the Executive Director of our Company. She has been associated with our Company since September 1, 2012. She has obtained her Ph.D in Mycology and Plant Pathology and her Masters in Mycology and Plant Pathology from Dr. Yashwant Singh Parmar University of Horticulture and Forestry, Solan, Himachal Pradesh and Bachelors of Science (Medical) from Himachal Pradesh University. She has more than ten (10) years of experience in organic farming and related sector. She has contributed to the development of organic farming projects, good agricultural practices for growth of promoting organic produce of our Company.
- Mr. Thyagarajan Kumaran**, aged 61 years, is the Additional Director (Independent) of our Company. He has recently been associated with our Company. He has obtained his degree in Masters and Bachelor of Arts from University of Madras. He is also holds a Certificate from Associate of the Indian Institute of Bankers. He has more than thirty (30) years of experience in the banking sector. He also has been an Independent Director of Shree Ambika Sugars Limited. Furthermore, he is working as a consultant to various companies in the areas of banking, credit and foreign exchange.
- Dr. Tej Partap**, aged 65 years, is the Additional Director (Independent) of our Company. He has recently been associated with our Company. He has obtained his Ph.D in Cultivated Grain Chenopods of Himachal Pradesh: Distributions, Variations and Ethnobotany from Himachal Pradesh University. He has obtained his degree in Masters of Science (M.Sc.) from Himachal Pradesh University. He has more than thirty (30) years of experience in managing institutions, projects, programs, and strategic research in the field of mountain agriculture, livelihood issues and strategic options. His professional experience includes his services in ICIMOD for thirteen (13) years and as Vice Chancellor of Agriculture Universities of mountain States in India, for twelve (12) years.
- Mr. Jagdish Lal Sharma**, aged 62 years, is the Additional Director (Independent) of our Company. He has recently been associated with our Company. He has obtained his Bachelor of Arts and Bachelor of Law from the University of Jammu. He had been a practicing lawyer before joining and serving the J&K Police more than thirty (30) years.



Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Red Herring Prospectus

None of the Directors are/ were directors 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 (5) years.

Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of our Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.

Remuneration to Non-Executive Directors

The Board of Directors in its meeting held on June 26, 2017 had approved sitting fees of ₹25,000 to be paid to each Non-Executive Director(s) for attending every meeting of the Board or a Committee thereof excluding the Stakeholders Grievances Committee and Finance Sub-Committee.

Remuneration to Executive Directors

- Mr. Rohit Gupta**, is the Promoter and Managing Director of our Company and was re-appointed by way of a board resolution dated June 19, 2017 and a shareholder's resolution dated July 13, 2017 for a period of five (5) years commencing from June 19, 2017 till June 18, 2022. Mr. Rohit Gupta's terms of appointment have been laid down under the Employment Agreement dated June 19, 2017. The significant terms of his employment are set out below:

Particulars	Remuneration
Basic Salary	₹1.20 million per annum
Commission	Nil.
Appointment as a Managing Director	June 19, 2017 (<i>Five (5) years with effect from June 19, 2017 till June 18, 2022</i>)
Other Allowances	<ul style="list-style-type: none"> ▪ House Rent Allowance; ▪ Bonus; ▪ Driver's Salary; ▪ Medical expenses; ▪ Petrol allowance; ▪ Maintenance allowance; ▪ Company vehicle; ▪ Telephone allowance; ▪ Other components; ▪ Leave travel allowance.
Remuneration paid for F.Y. 2016-2017	₹1.01 million

- Mr. Anil Kumar**, is the Executive Director of our Company and was re-appointed by way of a board resolution dated June 19, 2017 and a shareholder's resolution dated July 13, 2017 for a period of five (5) years commencing from June 19, 2017 till June 18, 2022. Mr. Anil Kumar's terms of appointment have been laid down under the Employment Agreement dated June 19, 2017. The significant terms of his employment are set out below:

Particulars	Remuneration
Basic Salary	₹0.29 million per annum
Commission	Nil.
Appointment as an Executive Director	June 19, 2017 (<i>Five (5) years with effect from June 19, 2017 till June 18, 2022</i>)
Other Allowances	<ul style="list-style-type: none"> ▪ House Rent Allowance; ▪ Bonus; ▪ Driver's Salary; ▪ Medical expenses; ▪ Petrol allowance; ▪ Maintenance allowance;



Particulars	Remuneration
	<ul style="list-style-type: none"> ▪ Company vehicle; ▪ Telephone allowance; ▪ Other components; ▪ Leave travel allowance.
Remuneration paid for F.Y. 2016-2017	₹0.62 million

3. **Ms. Gayatri Tandon**, is the Executive Director of our Company and was re-appointed by way of a board resolution dated December 20, 2016 and a shareholder's resolution dated January 28, 2017 for a period of five (5) years commencing from January 28, 2017 till January 27, 2022. Ms. Gayatri Tandon's terms of appointment have been laid down under the Employment Agreement dated January 28, 2017. The significant terms of her employment are set out below:

Particulars	Remuneration
Basic Salary	₹0.32 million per annum
Commission	Nil.
Appointment as an Executive Director	January 28, 2017 (<i>Five (5) years with effect from January 28, 2017 till January 27, 2022</i>)
Other Allowances	<ul style="list-style-type: none"> ▪ House Rent Allowance; ▪ Bonus; ▪ Driver's Salary; ▪ Medical expenses; ▪ Petrol allowance; ▪ Maintenance allowance; ▪ Company vehicle; ▪ Telephone allowance; ▪ Other components; ▪ Leave travel allowance.
Remuneration paid for F.Y. 2016-2017	₹0.80 million

Payment or benefit to Directors of our Company

The sitting fees/other remuneration of our Directors in Financial Year 2016 are as follows:

- **Payment of non-salary related benefits**

Except as stated under Remuneration to Executive Directors and "Remuneration to Non-executive directors", our Company has not paid, in the last two (2) years preceding the date of this Red Herring Prospectus, and nor does it intend to pay any non-salary related amount or benefits to our Directors.

- **Remuneration to Executive Directors:** The remuneration to Mr. Rohit Gupta; Mr. Anil Kumar; and Ms. Gayatri Tandon was ₹1.01 million; ₹0.62 million; and ₹0.80 million respectively for the fiscal 2017.
- **Remuneration to Non-Executive Directors:** Pursuant to the Board resolution dated June 26, 2017, our Company has fixed an amount of ₹25,000 as the sitting fees payable to our Independent Directors, towards attending meetings of the Board of Directors or a committee thereof. It may be noted that only Non-Executive Directors are paid sitting fees. Other than as disclosed above, our Company has not paid sitting fees to any of our other non-executive Directors. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Red Herring Prospectus.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.



Shareholding of directors in our Company

Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Rohit Gupta	18,088,800	99.94	18,088,800	73.64
Mr. Anil Kumar	200	Negligible	200	Negligible
Total	18,089,000	99.94	18,089,000	73.64

Shareholding of Directors in our Subsidiaries

Except where Mr. Rohit Gupta who holds equity shares in our subsidiary company for beneficial interest of our Company, none of the other Directors hold Equity Shares in our Subsidiary company, as on the date of this Red Herring Prospectus.

Shareholding of Directors in our Associate companies

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

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interests of our Directors

Our executive directors may also be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. For further details, please refer to section titled "Our Management – Shareholding of directors in our Company" and "Capital Structure" beginning on pages 128 and 60 respectively of this Red Herring Prospectus. Our director may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the Equity Shares held by them.

Our independent directors may be deemed to be interested in our Company to the extent of fees payable to them for attending meetings of our Board or committees thereof and reimbursement of expenses payable pursuant to our Articles of Association.

Our directors have no interest in any property acquired or proposed to be acquired by our Company two (2) years prior to the date of this Red Herring Prospectus.

Our Company had entered into a lease deed dated April 7, 2017 with our Promoter, Mr. Rohit Gupta for taking on lease Unit I (Seora), situated at Baba Fareed Nagar, Village Seora. The property on lease was taken for being used as one of the processing units of our Company. In terms of the said lease agreement, our Company is required to pay rent of ₹0.60 million per month for the period from March 1, 2017 to January 31, 2018. For further details, please refer to section titled "Our Promoter and Promoter Group - Interest of Promoter" and "Related Party Transactions" beginning on pages 136 and 140 respectively of this Red Herring Prospectus.

Except Mr. Rohit Gupta, who is the Promoter of our Company, none of our other Directors have any interest in the promotion of our Company other than in ordinary course of business. Except as disclosed above, no amount or benefit has been paid or given within the two (2) preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

None of our Directors have availed any loan from our Company. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Except as disclosed under section titled "Our Management – Remuneration to Executive Directors" beginning on page 126 of this Red Herring Prospectus, none of our Directors is party to any bonus or profit sharing plan of our Company. Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.



Changes in our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

No.	Name of the Director	Date of Change	Reason for change
1.	Mr. Jagdish Lal Sharma	July 10, 2017	Appointment as an Additional Director (Independent)
2.	Dr. Jagdish Kumar Dhar	July 4, 2017	Resignation as an Additional Director (Independent)
3.	Dr. Jagdish Kumar Dhar	June 29, 2017	Appointment as an Additional Director (Independent)
4.	Mr. Thyagarajan Kumaran	May 11, 2017	Appointment as an Additional Director (Independent)
5.	Dr. Tej Partap	May 11, 2017	Appointment as an Additional Director (Independent)
6.	Dr. Uttar Kumar Padha	May 11, 2017	Resignation as an Independent director
7.	Dr. Bansilal Sharma	May 11, 2017	Resignation as an Independent director
8.	Mr. Sikander Singh	February 10, 2017	Resignation as a Non-Executive Director
9.	Mr. Suraj Parkash Gupta	January 28, 2016	Resignation as an executive director
10.	Ms. Radha Rani Gupta	January 28, 2016	Resignation as an executive director
11.	Mr. Anil Kumar	January 28, 2016	Appointment as an executive director
12.	Dr. Gayatri Tandon	January 28, 2016	Appointment as an executive director
13.	Mr. Sikander Singh	May 2, 2016	Appointment as Non-Executive Director
14.	Dr. Uttar Kumar Padha	June 25, 2015	Appointment as an Independent director
15.	Mr. Bansilal Sharma	June 25, 2015	Appointment as an Independent director

Borrowing Powers of the Board

The Articles, subject to the provisions of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a resolution passed at the Extra Ordinary General Meeting held on July 13, 2017, in accordance with the Companies Act, 2013 authorized the Board to borrow monies from time to time, the borrowings of our Company shall not exceed ₹2,000 million for the time being, including the money already borrowed by our Company.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, specifically the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI (ICDR) Regulations, in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Currently, our Company has six (6) Directors and one (1) Honorary Chairman. Out of six (6) directors, three (3) are Executive Director and three (3) are Independent Directors. In compliance with the requirements of Regulation 17 of the SEBI (LODR) Regulations, we have three (3) Independent Directors on the Board, in addition to three (3) Executive Directors. In compliance with the provisions of the Companies Act, 2013 at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

The details of i) Audit Committee; ii) Nomination and Remuneration Committee; and iii) Stakeholders Relationship Committee committees are set out below. In addition to the committees of the Board detailed below, our Board of Directors may, from time to time constitute committees for various functions.

i) **Audit Committee:**

Our Company has re-constituted the Audit Committee in accordance with the Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations. Further, the Audit Committee was re-constituted by way of a Board resolution dated July 12, 2017. The audit committee presently consists of the following Directors of the Board:

- i) Mr. Thyagarajan Kumaran, Chairman;
- ii) Mr. Jagdishlal Sharma, Member;
- iii) Mr. Anil Kumar, Member



The scope of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of our Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of our Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. 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;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. 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;
17. Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To 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;
19. To establish and review the functioning of the whistle blower mechanism;
20. Approval of appointment of the 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;
21. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
22. Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.



ii) **Nomination and Remuneration Committee:**

Our Company has constituted in terms of Section 178 of the Companies Act, Remuneration Committee as Nomination and Remuneration Committee in the meeting of the Board of Directors held on July 12, 2017. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

- i) Mr. Thyagarajan Kumaran, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Jagdish Lal Sharma, Member

The terms of reference of Nomination and Remuneration Committee are set out below:

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that:
 - a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report.
3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
5. Devising a policy on diversity of the board of directors.

iii) **Stakeholders Relationship Committee:**

Our Company has constituted the Stakeholders Relationship Committee by way of a Board Resolution dated July 12, 2017. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

- i) Mr. Jagdish Lal Sharma, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Anil Kumar, Member

The scope of the Stakeholders Relationship Committee is set out below:

1. Resolving the grievances of the shareholders of our Company including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends;
2. Investor relations and redressal of grievances of security holders of our Company in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet, etc.;
3. Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / subdivision/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates, etc.; and
4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Other Committees formed by our Company

i) **Corporate Social Responsibility (CSR) Committee:**

Our Company has re-constituted the CSR Committee by way of a Board Resolution dated July 12, 2017. The CSR Committee presently consists of the following Directors of the Board:

- i) Mr. Jagdish Lal Sharma, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Anil Kumar, Member

The scope of the CSR Committee is set out below:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013;
2. To recommend the amount of expenditure to be incurred on the activities;
3. To monitor the CSR Policy of our Company from time to time;
4. To monitor the CSR activities undertaken by our Company, which shall be as per the CSR Policy, as projects or programs or activities undertaken in India (either new or ongoing), excluding activities undertaken in its normal course of business;
5. To provide a report on CSR activities to the Board of our Company;
6. To be responsible for the implementation and monitoring of CSR Policy, this shall be in compliance with CSR objectives and Policy of our Company; and
7. To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

iv) **Risk Management Committee:**

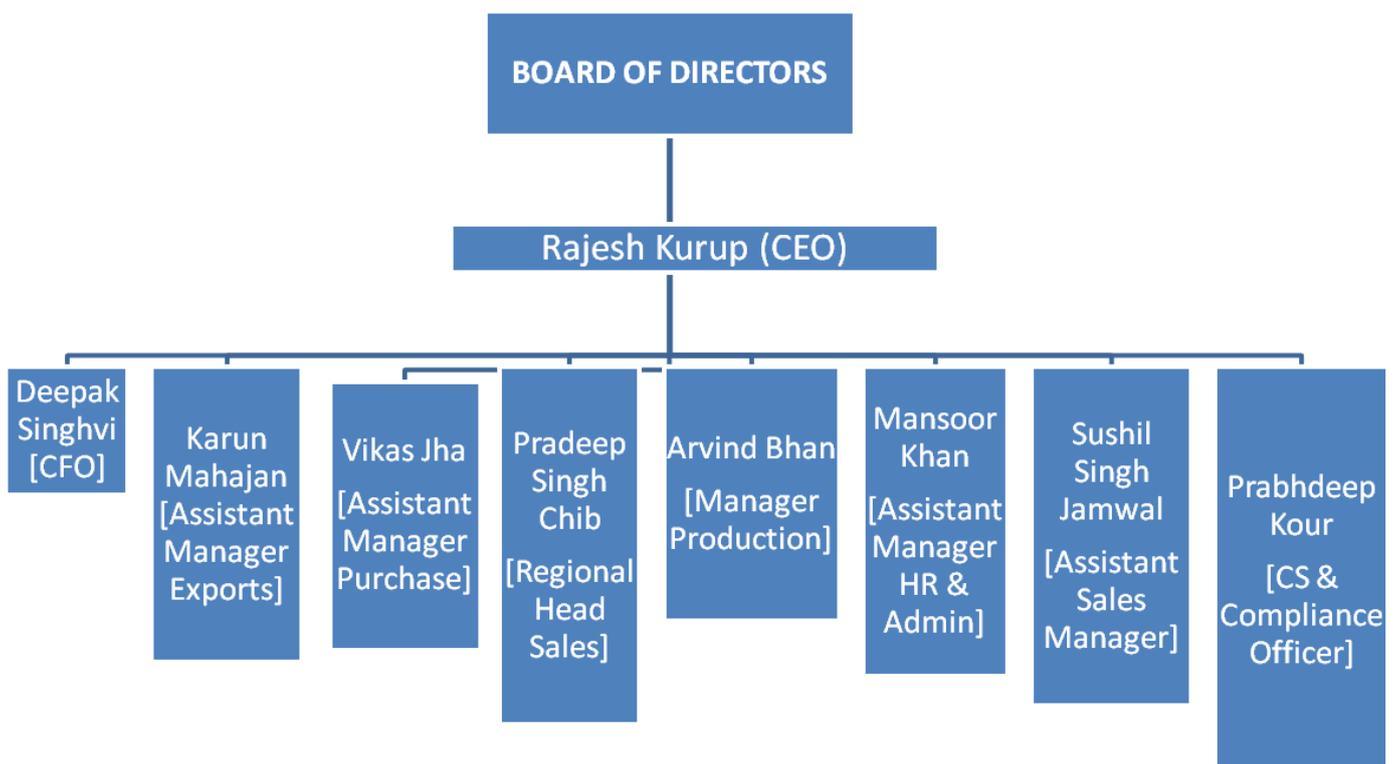
Our Company has constituted the Risk Management Committee by way of a Board Resolution dated July 12, 2017. The Risk Management Committee presently consists of the following Directors of the Board:

- i) Mr. Jagdish Lal Sharma, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Anil Kumar, Member

The scope of the Risk Management Committee is set out below:

1. To finalise risk assessment under the risk management framework;
2. To monitor and review risk management plan/ framework as approved by the Board; and
3. To inform the Board in relation to the risk assessed and action required to be taken/ already taken for mitigating risks on quarterly basis.

Management Organizational Structure





Profiles of our Key Managerial Personnel

In addition to our Managing Director, Mr. Rohit Gupta, and our executive director, Mr. Anil Kumar, whose details are provided under "Brief biographies of the Directors" beginning on page 125 of this Red Herring Prospectus, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. **Mr. Rajesh Kurup**, 46 years, is the Chief Executive Officer (CEO) of our Company. He has been associated with our Company since October 13, 2017. He has obtained Bachelor of Commerce degree from Government College, Sambalpur University and a Post Graduate Diploma in Personnel management (PGDMPPM) from the Xavier Institute of Social Science (XISS), Ranchi. He has more than twenty (20) years of experience in various fields like HR, Project management, Marketing. Prior to joining our Company, he was associated with Cairn India Limited as a General Manager, Corporate Reputation & Branding.
2. **Mr. Deepak Singhvi**, 49 years, is the Chief Financial Officer (CFO) of our Company. He has been associated with our Company since March 1, 2017. He is a Member of Institute of Chartered Accountants of India (ICAI). He has obtained Master of Commerce degree from the University of Jodhpur. He has more than fifteen (15) years of experience in finance and accounts. Prior to joining our Company, he was associated with Mirage Entertainment Limited as General Manager, Finance. He was paid a remuneration of ₹0.31 million in the F.Y. 2016-2017.
3. **Mr. Mansoor Khan**, 37 years, is the Assistant Manager (*HR & Administration*) of our Company. He has been associated with our Company since April 1, 2017. He has obtained B.E Mechanical degree from University of Jammu. He also has obtained degree of Masters in Business Administration from University of Wales. He has more than thirteen (13) years of experience and is currently looking into the HR and administrative activities of our Company. Prior to joining our Company, he was associated with Ali Al Mulla Group, Al Ain, UAE as factory manager. He was paid a remuneration of ₹0.34 million in the F.Y. 2016-2017.
4. **Mr. Arvind Bhan**, 34 years, is the Manager (*Production*) of our Company. He has been associated with our Company since September 21, 2010. He has obtained B.E Mechanical degree from Shivaji University, Kolhapur. He has more than five (5) years of experience and is currently looking into the production activities of our Company. He was paid a remuneration of ₹0.38 million in the F.Y. 2016-2017.
5. **Mr. Karun Mahajan**, 27 years, is the Assistant Manager (*Exports*) of our Company. He has been associated with our Company since July 1, 2014. He has obtained the degree of Masters of Business Administration in International business from University of Jammu. He has two (2) years of experience and is currently handling the exports and marketing related activities of our Company. He was paid a remuneration of ₹0.36 million in the F.Y. 2016-2017.
6. **Mr. Vikas Jha**, 26 years, is the Assistant Manager (*Purchase*) of our Company. He has been associated with our Company since April 1, 2012. He has obtained his degree in Bachelor of Arts from Shridhar University, Pilani, Rajasthan. He has more than two (2) years of experience and is currently handling the domestic sales, purchase and distribution related activities of our Company. He was paid a remuneration of ₹0.39 million in the F.Y. 2016-2017.
7. **Mr. Sushil Singh Jamwal**, 34 years, is the Assistant Sales Manager of our Company. He has been associated with our Company since November 1, 2013. He has obtained his degree in Bachelor of Arts from Himachal Pradesh University. He has more than ten (10) years of experience and is currently handling the sales in Jammu and Kashmir along with brand development, merchandising related activities of our Company. Prior to joining our Company, he was associated with Dainik Bhaskar as state co-ordinator based at Ludhiana. He was paid a remuneration of ₹0.46 million in the F.Y. 2016-2017.
8. **Mr. Pardeep Singh Chib**, 44 years, is the Regional Head, Sales of our Company. He has been associated with our Company since January 1, 2017. He has obtained the degree of Bachelors of Science from University of Jammu. He has more than eighteen (18) years of experience and is currently handling the regional sales activities of our Company. Prior to joining our Company, he was associated with Sresta Natural Bio Products Private Limited as Business Development Manager. He was paid a remuneration of ₹0.19 million in the F.Y. 2016-2017.
9. **Ms. Prabhdeep Kour**, 26 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since June 1, 2017. She is a member of Institute of Company Secretaries of India (ICSI). She has obtained the degree of Bachelors of Commerce University of Jammu. She has nearly four (4) years of experience and is responsible for compliance with statutory and regulatory requirements and for ensuring that decisions of our Board are implemented.



Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company.

Relationship amongst the Key Managerial Personnel of our Company

There is no family relationship amongst the any Key Managerial Personnel of our Company.

Shareholding of Key Management Personnel in our Company

Except for Mr. Rohit Gupta and Mr. Anil Kumar, none of the Key Management Personnels hold Equity Shares in our Company as on the date of this Red Herring Prospectus. For details in relation to their shareholding, please refer to section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

Interests of Key Management Personnel

Other than as disclosed under this section under "Our Management - Interest of our Directors" and "Our Management – Shareholding of Key Management Personnel" beginning on pages 134 and 128 respectively of this Red Herring Prospectus, our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them.

The Key Management Personnel are not entitled to any contingent or deferred compensation.

Payment of benefits to officers of our Company (*non-salary related*)

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Red Herring Prospectus.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Key Managerial Personnels have availed loan from our Company which is outstanding as on the date of this Red Herring Prospectus.



Changes in our Company's Key Managerial Personnel during the last three (3) years

The changes in the Key Managerial Personnel of our Company in the last three (3) years are as follows:

No.	Name of the Key Managerial Personnel	Designation	Date of change	Reason for change
1.	Mr. Rajesh Kurup	CEO	October 13, 2017	Appointment
2.	Ms. Prabhdeep Kour	Company Secretary	June 1, 2017	Appointment
3.	Ms. Deepali Mahajan	Company Secretary	June 1, 2017	Resignation
4.	Mr. Deepak Singhvi	CFO	March 1, 2017	Appointment
5.	Ms. Shivani Gupta	Company Secretary	December 1, 2016	Resignation
6.	Ms. Shivani Gupta	Company Secretary	February 9, 2015	Appointment
7.	Ms. Deepali Mahajan	Company Secretary	February 9, 2015	Appointment

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Our Promoter is Mr. Rohit Gupta. As on the date of this Red Herring Prospectus, Mr. Rohit Gupta holds 18,088,800 Equity Shares, which constitutes 99.99% of the issued and paid-up Equity Share capital of our Company.

Details of Individual Promoter of our Company



Mr. Rohit Gupta aged 48 years, is the Promoter and Managing Director of our Company. He has obtained his Bachelors of Commerce degree from University of Jammu. He has an extensive experience of more than two (2) decades in the basmati rice industry. Under the able guidance and directorship of Mr. Gupta, our Company was awarded the "Best Industry Award" from Mr. Omar Abdulla, the former Chief Minister of Jammu and Kashmir. For a complete profile of Mr. Rohit Gupta, please refer to section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.

Driving Licence Number: JK-0219860007898

Voter Identification Number: JK73 071247

For further details in relation to other ventures of Mr. Rohit Gupta, please refer to section titled "Group Entities of our Company" beginning on page 139 of this Red Herring Prospectus.

Our Company confirms that it has submitted the details of the PAN, Bank Account Number and Passport Numbers of our Promoter to the Stock Exchanges at the time of filing the Red Herring Prospectus.

Interests of our Promoter

Our Promoter is interested in our Company to the extent that he has promoted our Company and to the extent of his respective Equity shareholding in our Company and any dividend distribution that may be made by our Company for any other distribution with respect to his Equity Shares in the future. For details pertaining to our Promoter's shareholding, please refer to section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus.

Our Promoter is also interested to the extent that he is Director and Key Managerial Personnel of our Company. He is interested to the extent of any remuneration and reimbursement of expenses payable to him by virtue of being Director and Key Managerial Personnel of our Company. For further information on remuneration to the Executive Director, please refer to section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.

Except as stated under section titled "Related Party Transactions" beginning on page 140 of this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two (2) years from the date of this Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments has been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him.

Except as stated otherwise in this Red Herring Prospectus, our Promoter or Group Entities do not have any interest in any property acquired by our Company within two (2) years of the date of this Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery. However, HBOFPL, one of our Subsidiaries, has entered into a lease deed dated August 26, 2017 with our Promoter, Mr. Rohit Gupta for taking on lease Unit I (Seora), situated at Baba Fareed Nagar, Village Seora. The property on lease was taken for being used as one of the processing units of our Company. In terms of the said lease agreement, our subsidiary is required to pay rent of ₹0.04 million per month for the period from July 1, 2017 to May 31, 2018. For further details, please refer to section titled "Related Party Transactions" beginning on page 140 of this Red Herring Prospectus.

Our Promoter is not related to any sundry debtors of our Company except for entities as set out below:

- Himalayan Bio Organic Foods Private Limited, wholly owned subsidiary;
- M/s. Radhika Overseas, Promoter Group entity; and
- M/s. Sarveshwar International, Promoter Group entity.

Except as disclosed in this Red Herring Prospectus, our Promoter is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.



Common Pursuits

Our Company and its subsidiary are engaged in the same line of activity i.e. processing and marketing of branded and unbranded basmati and non-basmati rice in the domestic and international markets. Further, the main objects of the MoA of our Subsidiary enable them to engage in, the same line of business as that of our Company. This may have a potential conflict of interest in addressing business opportunities and strategies in circumstances where the interest of our Company may be similar to that of our Subsidiary. Such business opportunities may create conflict of interest for our Promoter.

Except as disclosed in this section, our Promoter does not have any interest in any ventures that is involved in the same line of activity or business as that of our Company.

Confirmations

The Company hereby confirms that:

- ❖ Our Promoter and members of the Promoter Group have not been declared as Wilful Defaulters.
- ❖ Our Promoter and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- ❖ Our Promoter and members of the Promoter Group are not and have never been promoter, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Related Party Transactions

For details of related party transactions entered into by our Promoter, Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, please refer to section titled "Related Party Transactions" beginning on page 140 of this Red Herring Prospectus.

Interest of Promoter in sales and purchases

There are no sales/purchases between our Company and any Group Company and associate company when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, and our Group Company as on the date of the last financial statements.

Payment or benefits to the Promoter

Except as stated otherwise in under section titled "Related Party Transactions" beginning on page 140 of this Red Herring Prospectus about the related party transactions entered into during the last five (5) Financial Years as per Accounting Standard 18 and in "Interest of Promoter" beginning on page 136 of this Red Herring Prospectus, there has been no payment or benefit to our Promoter or Promoter Group during the two (2) years prior to the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Red Herring Prospectus.

Disassociation by the Promoter from entities in last three (3) years

Our Promoter has not disassociated from any of the companies or firms in the last three (3) years except where one of the entities namely Sarveshwar Organic Foods Inc, which was a wholly owned subsidiary of our Company has been dissolved pursuant to the provisions of Article 10, Section 1004 of the Business Corporation Law.

Change in the management and control of our Company

Our Promoter is the original promoter of our Company and there has not been any change in the management or control of our Company.

Outstanding Litigation

There is no litigation or legal action pending or taken by a ministry, department of the Government or Statutory Authority during the last five (5) years preceding the date of this Red Herring Prospectus against our Promoter.



Promoter Group of our Company

(a) Individual Promoter Group of our Promoter

Name of our Promoter	Name of the Relative	Relationship with the Relative
Mr. Rohit Gupta	Mr. Suraj Parkash Gupta	Father
	Ms. Radha Rani Gupta	Mother
	--	Brother
	Ms. Navnidhi Gupta	Sister
	Ms. Pooja Gupta	Wife
	Ms. Urvi Gupta	Daughter
	Master Yadunandan Gupta Master Vibhunandan Gupta	Son
	Ms. Mohini Gupta	Spouse's mother
	Mr. Ram Rattan Gupta	Spouse's father
	Mr. Pankaj Gupta Mr. Anuj Gupta	Spouse's Brother
	--	Spouse's sister

(b) Entities forming a part of Promoter Group

In addition to our Subsidiaries, as listed in the section titled "History and Certain Corporate Matters – Subsidiaries of our Company" beginning on page 119, the companies and entities that form part of our Promoter Group are as follows:

- ❖ Sarveshwar Overseas Limited (*subsidiary company*);
- ❖ Himalayan Bio Organic Foods Private Limited (*subsidiary company*);
- ❖ Natural Global Foods DMCC (*subsidiary company*);
- ❖ Himalayan Ancient Foods Private Limited;
- ❖ M/s. Radhika Overseas;
- ❖ M/s. Radhika Pest Control Services;
- ❖ M/s. Sree Jee Trading Co.;
- ❖ M/s. Sarveshwar Logistics; and
- ❖ M/s. Sarveshwar International.



GROUP ENTITIES OF OUR COMPANY

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Entities, our Company has considered companies/ entities covered under the applicable accounting standard, i.e., AS-18 as per the Restated Financial Statements and other companies/ entities considered material by our Board. Pursuant to a resolution of our Board dated June 26, 2017, for the purpose of disclosure in connection with the Issue, a company/ entity shall be considered material and disclosed as a Group Company/ entity as per the Materiality Policy if our Company has entered into one or more transactions with such company/ entity in the preceding Financial Year, cumulatively exceeding 10% of the total revenue of our Company for such Financial Year. As on the date of this Red Herring Prospectus and based on the aforementioned materiality policy, there are no Group Companies of our Company.



RELATED PARTY TRANSACTIONS

For details on related party transactions of the Company, please refer to Annexure XI titled "*Restated Consolidated Summary Statement of Related Party Transactions*" and Annexure XI titled "*Restated Standalone Summary Statement of Related Party Transactions*" in the section titled "Financial Information" beginning on page 142 of this Red Herring Prospectus.



DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provisions of the Articles of Association and applicable law including the Companies Act. The dividends, if any, will depend on number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into in the future. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has not declared dividend in any financial year as on the date of this Red Herring Prospectus.



SECTION V: FINANCIAL INFORMATION

RESTATED STANDALONE FINANCIAL STATEMENTS

AUDITORS REPORT

Dated: 07-02-2018

To,
The Board of Directors of **Sarveshwar Foods Limited**
Sarveshwar House, Below Gumat,
Jammu, Jammu and Kashmir -180001

Dear Sirs,

Re: Proposed Initial Public Offering of Equity Shares by **Sarveshwar Foods Limited**, (“Company”)

Sub: Report on Audited and Restated Financial Statements

1. This report is issued in accordance with the terms of our engagement letter dated 01st October 2017.
2. The accompanying restated audited financial information, expressed in Indian Rupees, in Millions, (“**Restated Financial Information**”) of the Company comprising the financial information as detailed in paragraph below and Other Financial Information as detailed in paragraph B below, has been prepared by the management of the Company in accordance with the requirements of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”) issued by the Securities and Exchange Board of India (the “**SEBI**”) in connection with the proposed initial public offering of Equity Shares of the Company (the “**Issue**”) and has been approved by the Board of Directors and initialed by us for identification purposes. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company as at and for the years ended on September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013 all expressed in Millions of Indian Rupees.

The financial statements of the Company for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, were audited and reported upon by Anil Gupta having ICAI Membership Number: 094713, representing the then statutory auditors of the Company, P.C Bindal & Co., Chartered Accountants, (ICAI Firm Registration Number 003824N), as partner, for which they have expressed unmodified audit opinions vide their audit reports for respective years and Financial Statement for September 30, 2017 were audited by CA Rajat Goyal having ICAI Membership Number: 503150, representing the then statutory auditors of the Company, K R A & Co., Chartered Accountants, (ICAI Firm Registration Number 020266N), as partner, for which they have expressed unmodified audit opinions vide their audit reports.

Management’s Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the management of the company. The Board of Directors’ responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors’ Responsibility for the Restated Financial Information

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards and in accordance with the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Financial Information as per audited financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Financial Information of the Company:
 - a) The “Restated Statement of Assets and Liabilities” as at September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure I**);
 - b) The “Restated Statement of Profit and Loss” for the years ended on September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure II**); and



c) The “Restated Statement of Cash Flows” for the years ended as at September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013(enclosed as **Annexure III**).

6. The Restated Financial information, expressed in Indian Rupees in Millions, has been derived from the audited financial statements of the Company as at and for the years ended as at September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013, all of which were, expressed in Indian Rupees.

7. We draw your attention to the following:

a) The Restated Financial Information should be read in conjunction with the Statement of Significant Accounting Policies and Notes to the Restated Statements enclosed as **Annexure IV**;

B. Other Financial Information:

8. At the Company’s request, we have also examined the following Other Financial Information relating to the Company as at and for the years ended on September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013, proposed to be included in the Offer Document, prepared by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

- i. Statement of Accounting Ratios, enclosed as Annexure V
- ii. Statement of Capitalisation, as appearing in Annexure VI
- iii. Statement of Contingent Liabilities, enclosed as Annexure VII
- iv. Statement of Tax Shelter, enclosed as Annexure VIII
- v. Statement of Earnings Per Share, enclosed as Annexure IX
- vi. Statement of Related Party Transactions as Annexure X

9. Opinion

In our opinion:

- a) The Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation of financial information and respective significant accounting policies have been prepared in accordance with the Act and the SEBI Regulations;
- b) All respective changes have been taken into account as per the policies followed as on September 30, 2017 and have been accordingly reported in the financials attached;
- c) The material adjustments relating to previous years have been adjusted in the year to which they relate;
- d) There are no extra-ordinary items which needs to be disclosed separately.

10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by another firm of chartered accountants on the financial statements of the Company.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Yours faithfully,

For: K R A & Co.

Chartered Accountants

ICAI Firm Reg. No: 020266N

Partner

Membership No: 503150

Place: Jammu


Annexure I – Statement of Assets and Liabilities, as restated

(₹ In Millions)

Particulars	Notes No.	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
ASSETS							
Non-Current Assets							
Fixed assets							
Tangible assets	1	49.04	53.58	56.63	62.61	65.83	71.23
Capital work in progress		-	0.99	-	-	-	-
Non - current investments	2	149.00	148.50	148.50	153.80	116.45	39.69
Deferred Tax Assets (Net)		1.86	1.38	1.36	1.17	0.53	0.04
Other non - current assets	3	-	37.26	-	-	-	-
Total Non Current Assets		199.91	241.71	206.49	217.59	182.82	110.96
Current Assets							
Inventories	4	1,045.58	919.14	820.01	1,038.64	840.38	649.54
Trade receivables	5	587.00	392.02	385.60	143.35	122.73	22.02
Cash and cash equivalents	6	1.22	1.79	10.84	11.17	1.21	4.25
Other Current Assets	7	14.92	5.44	8.01	6.74	6.02	4.65
Total Current Assets		1,648.71	1,318.39	1,224.45	1,199.90	970.34	680.46
LIABILITIES							
Non-current Liabilities							
Long-term borrowings	8	-	-	-	-	60.00	77.12
Other long-term liabilities	9	2.05	11.08	3.80	11.60	0.48	0.63
Total Non Current Liabilities		2.05	11.08	3.80	11.60	60.49	77.75
Current Liabilities							
Trade payables	10	427.88	306.56	225.79	281.96	55.01	80.41
Short-term borrowings	11	834.09	741.13	840.36	809.52	807.98	479.18
Other current liabilities	12	11.44	23.83	13.71	17.15	6.82	2.06
Short term provisions	13	49.71	15.91	1.53	(2.06)	2.72	3.98
Total Current Liabilities		1,323.12	1,087.43	1,081.39	1,106.57	872.52	565.63
Minority Interest							
Net Worth Represented by							
Equity Share Capital	14	181.00	181.00	90.50	90.50	90.50	90.50
Preference Share Capital							
Share & Warrant Application Money Pending Allotment							
Reserves and Surplus	15	342.44	280.58	255.25	208.81	129.65	57.55
Net Worth		523.44	461.58	345.75	299.31	220.15	148.05


Annexure II – Statement Profit and Loss, as restated

(₹ In millions)

Particulars	Notes No.	Period ended	Period ended	Year ended	Year ended	Year ended	Year ended
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Revenue							
Revenue from Operations	16	1,290.30	2,076.02	1,606.88	1,382.37	1,183.90	232.24
Other Income	17	10.64	4.06	3.48	49.80	51.04	45.40
Total Revenue		1,300.94	2,080.08	1,610.36	1,432.17	1,234.94	277.64
Expenses							
Cost of Material Consumed	18	857.71	1,056.25	689.57	1,127.64	1,077.01	299.95
Purchases of Stock in Trade		427.47	790.86	90.07	200.73	20.01	22.91
Changes in Inventories of FG	19	(184.60)	(165.00)	468.02	(228.48)	(118.08)	(145.60)
Employee Benefit Expenses	20	10.06	24.84	25.64	17.15	16.04	4.00
Depreciation and Amortization	1	3.96	9.06	10.41	11.36	9.69	10.25
Finance Costs	21	37.15	81.90	85.76	67.11	64.84	15.56
Other Expenses	22	51.92	124.46	179.99	144.69	76.16	11.39
Loss on Sale of Assets							
Total Expenses		1,203.67	1,922.38	1,549.46	1,340.20	1,145.67	218.44
Profit before Tax		97.27	157.71	60.90	91.97	89.27	59.20
Tax Expenses							
Current Tax		33.80	42.43	14.06	12.96	15.25	4.31
Current Tax expenses relating to prior years		-	-	-	-	-	0.01
Net Current Tax Expense							
Deferred Tax		(0.13)	(0.42)	(0.60)	(0.72)	-	-
Tax of earlier years (MAT Credit Entitlement recognised)							
Profit/ (Loss) after tax as per Audited Accounts (A)		63.60	115.70	47.44	79.73	74.03	54.90
Impact of change in Accounting Policies and Estimates		-	1.95	1.48	0.25	(1.61)	0.01
Excess/ (short) Provision for Taxation		-	0.40	0.41	0.08	(0.50)	(0.04)
Total Impact of Adjustment		-	1.56	1.07	0.17	(1.11)	0.05
Total Adjustments net of tax impact (B)		-	1.56	1.07	0.17	(1.11)	0.05
Net Profit as Restated (A+B)		63.60	117.25	48.50	79.90	72.92	54.94
Prior Period Adjustments-Income tax		(1.73)	(1.42)	(2.07)	(0.73)	(0.82)	-
Surplus/(Deficit) brought forward from previous years		280.58	255.25	208.81	129.65	57.55	2.61
Balance available for appropriations, as restated		342.44	371.08	255.25	208.81	129.65	57.55
Appropriation							
Bonus Shares		-	90.50	-	-	-	-
Balance Carried forward as restated		342.44	280.58	255.25	208.81	129.65	57.55


Annexure III – Statement of Cash Flow, as restated

(₹ In millions)

Particulars	Period ended 30.09.2017	Period ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
A] Cash Flow from Operating Activities						
Net Profit Before tax	97.27	157.71	60.90	91.99	89.27	59.21
Adjustment for						
Depreciation & Amortization	3.96	9.06	10.41	11.36	9.69	10.25
Finance Costs	37.15	81.90	85.76	67.11	64.84	15.56
Foreign Exchange Gain/ (Loss)	1.22	0.97	1.30	(1.63)	5.74	0.37
Interest Income	0.01	0.12	0.29	0.27	0.30	0.21
Loss (Gain) on Sale of Fixed Assets	-	-	0.03	(0.03)	-	(0.13)
Share of Profit from Partnership Firm	-	-	-	38.93	32.20	40.12
Operating Profit/ (Loss) before Working Capital Changes	137.15	247.58	155.60	132.85	125.57	37.20
Adjustment for increase/ (decrease) in operating assets:						
Inventories	(126.44)	(99.13)	218.64	(198.26)	(190.84)	(647.91)
Trade Receivables	(194.97)	(6.43)	(242.24)	(20.62)	(100.72)	(21.94)
Other Current Assets	(10.52)	2.58	(1.28)	(0.72)	(1.37)	(1.74)
Adjustment for increase/ (decrease) in operating liabilities:						
Trade Payables	122.35	80.77	(56.17)	226.95	(25.40)	80.27
Other Current Liabilities	(11.43)	10.12	(3.44)	10.34	4.75	2.02
Short Term Borrowings	92.96	(99.23)	30.50	1.39	328.65	479.81
Cash Generated From Operations	9.09	136.26	101.60	151.93	140.65	(72.30)
Net Income Tax (Paid) / refunds	-	29.47	12.53	18.25	17.33	0.35
Net Cash from / (used in) Operating Activities (A)	9.09	106.79	89.07	133.68	123.33	(72.64)
B] Cash Flow from Investing Activities						
Capital expenditure on Fixed Assets, including capital advances	0.52	5.05	3.17	8.14	5.92	72.01
Increase / (Decrease) in Investment	-	-	5.30	(37.35)	(76.76)	(0.94)
Proceeds from sale of fixed assets	-	-	0.10	0.05	0.03	0.33
Other Non Current Assets	36.76	(37.26)	-	-	-	-
Interest received	0.01	0.12	0.29	0.27	0.30	0.21
Share of profit from partnership firm	-	-	-	38.93	32.20	40.12
Amount paid/ (received) from partnership firms/ AOPs/ LLPs	-	-	-	-	-	36.16
Net Cash Flow from/(used in) Investing Activities (B)	36.25	(42.19)	2.52	(6.24)	(50.15)	(68.45)
C] Cash Flow from Financing Activities						
Proceeds from Issue of Share Capital	-	-	-	-	-	90.00
Proceeds from Long Term Borrowing	-	-	-	-	-	69.73
Proceeds from Other Long-term Liabilities	9.98	7.28	-	11.27	-	-
Repayment of Long Term Borrowing	-	-	-	60.01	17.11	-
Repayment of Long Term Liabilities	-	-	7.47	-	-	-
Finance Charges	37.15	81.90	85.76	67.11	64.85	15.56
Foreign Exchange Gain/ (Loss)	1.22	0.97	1.30	(1.63)	5.74	0.37
Net Cash Flow from/ (used in) Financing Activities (C)	(45.91)	(73.66)	(91.93)	(117.47)	(76.22)	144.54
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(0.57)	(9.05)	(0.33)	9.96	(3.04)	3.44
Cash & Cash Equivalents at beginning of the year	1.79	10.84	11.17	1.21	4.25	0.81
Cash & Cash Equivalents at end of the year	1.22	1.79	10.84	11.17	1.21	4.25



Components of Cash & Cash Equivalent						
- Cash in Hand	0.57	0.43	10.20	7.98	0.61	3.57
- Cash/ Bank Balance with Bank (Current Account)	0.65	1.36	0.63	3.19	0.60	0.68
CASH AND CASH EQUIVALENTS	1.22	1.79	10.84	11.17	1.21	4.25

Annexure IV – Significant Accounting Policies & Notes to Accounts to the Restated Financial Statements

A) Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention and on accrual basis of accounting. The Company has prepared these financial statements in accordance with the Generally Accepted Accounting Principles in India and to comply in all material respects with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policy adopted in preparation of the financial statements are consistent with those followed in previous year.

B) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period.

Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C) Revenue Recognition

- Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized gross of excise duty but net of sales tax and value added tax.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Dividend on investment is recognized when the company's right to receive dividend is established.

D) Export Incentives

Export Incentives are accounted for on accrual basis to the extent considered receivable.

E) Tangible Assets

- Fixed Assets are stated at cost net of Cenvat/VAT (to the extent allowable as input credit), wherever applicable, less accumulated depreciation. Costs incurred for bringing relevant assets in working condition, including financing costs till the respective asset is put to use, are capitalized.
- Leasehold Land is stated at cost.
- Assets under installation/commissioning are shown under Capital Work-in-Progress in last year are capitalised & commissioned during the year for which installation certificate has been obtained..

F) Depreciation

- Depreciation on Tangible Fixed Assets is being provided on "Straight Line Method" basis at the rates and manner prescribed specified in Schedule to the Companies Act, 2013.
- Depreciation in respect of addition to the fixed assets is provided on Pro-rata Basis.
- Depreciation of Plant and Machinery is charged to multiple shifts.

G) Borrowing Costs

Borrowing Costs attributable to production, construction or acquisition of the qualifying assets are capitalized till the date the asset is put to use. Other borrowing costs are charged to Profit & Loss Account.

H) Investments

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

I) Inventories

- Inventories of Raw Material, Finished Goods are valued at cost or Net Realizable Value, whichever is lower.
- Cost of Inventories comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to the present location and condition.
- Work in Progress is valued at cost, which includes direct cost and portion of overheads.
- Stores, Spares and Tools are being values at cost.
- Goods in Transit, if any, are stated at actual cost incurred up to the date of balance sheet.



- Valuation of Finished Goods includes central excise duty, which is considered as cost in accordance with Accounting Standard 2.
- Stock is taken as valued & certified by management.

J) Excise/ Cenvat

Cenvat credit availed during the year is reduced from purchase cost and related fixed assets and added to cenvat receivable account. The adjustment against excise duty during the year is debited to excise duty paid account and credited to cenvat receivable account. Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the excise rules.

K) Pre IPO Expenses

Pre IPO expenses comprise of expenses related to proposed public issue of Equity Shares of the Company. The same shall be amortized against Securities Premium in the year of allotment of securities under the said public issue.

L) Foreign Currency Transactions

- Transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- Differences on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization are considered as revenue in nature unless context requires otherwise.
- Differences in translation of Current Assets and Current Liabilities remaining to be settled in foreign currency at the year-end are recognized in the Statement of Profit and Loss.

M) Taxes on Income

- Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared, applying the applicable income tax rates and provisions.
- Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax Assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

N) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate or the recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. After recognition of an impairment loss or reversal of an impairment loss, the depreciation charge for the assets is adjusted in future period to allocate the assets revised carrying amount, less its residual value(if any), over its remaining useful life.

O) Employees Retirement Benefit

- Short term benefit payable to employees wholly within twelve months of rendering services such as salaries, wages etc. are recognized in the period in which the employee renders the related service.
- Defined Contribution Plan
The Company's contribution to the state governed employees provident fund scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.
- Defined Benefit Plan
The Company has employees' gratuity fund scheme administered by a Trust managed by Life Insurance Corporation of India. The present value of the obligation is determined based on actuarial valuation carried out by Life Insurance Corporation of India using the projected unit credit method based on which the Company pays its contribution to the fund on periodic basis.
- As per the policy of the Company, no leave encasement is allowed.

P) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



Q) Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

R) Impact of Material Adjustment:

(₹ In millions)

Particulars	30-09-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profit & Loss as per Audited Statement of Profit & Loss Account	63.60	115.69	47.44	79.73	74.02	54.89
Adjustment on Account of changes in accounting policies	-	1.95	1.48	0.25	(1.60)	0.01
Prior Period Items	-	-	-	-	-	-
Total impact of the adjustments	-	1.55	1.07	0.17	(1.10)	0.05
Net profit / (loss) after tax, as restated	63.60	117.25	48.51	79.90	72.92	54.94

Notes on adjustments to the restated summary statements and other disclosures

Adjustments due to change in accounting policies has been recognized and given effect to in the restated financial statements.

Notes forming parts of restated financial statements-

Note 1

2012-13

₹ In millions

Sr. No.	Particulars	Bal. as on 31.03.2012	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2013
1	Land	1.74	-	0.33	1.41	-	1.41
2	Building	31.50	4.03	0.59	34.94	3.38	31.56
3	Plant & Machinery	36.34	0.46	-	36.80	5.47	31.33
4	Office Equipments	0.82	0.38	-	1.19	0.18	1.01
5	Furniture & fixtures	0.83	0.37	-	1.21	0.12	1.09
6	Computers & Printers	0.48	0.28	-	0.76	0.43	0.32
7	Vehicles	3.27	2.22	0.31	5.17	0.66	4.51
	Grand Total	74.98	7.73	1.23	81.48	10.25	71.23

2013-14

₹ In millions

Sr. No.	Particulars	Bal. as on 31.03.2013	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2014
1	Land	1.41	-	-	1.41	-	1.41
2	Building	31.56	0.20	-	31.21	3.25	27.57
3	Plant & Machinery	31.33	0.26	-	31.59	4.72	26.87
4	Office Equipments	1.01	0.69	-	1.70	0.22	1.48
5	Furniture & fixtures	1.09	0.25	-	1.33	0.12	1.21
6	Computers & Printers	0.32	0.49	-	0.81	0.42	0.40
7	Vehicles	4.51	2.97	0.03	7.46	0.96	6.50
	Grand Total	71.23	4.32	0.03	77.12	9.69	65.83



2014-15

₹ In millions

Sr. No.	Particulars	Bal. as on 31.03.2014	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2015
1	Land	1.41	-	-	1.41	-	1.41
2	Building	29.57	4.30	-	33.86	2.45	31.41
3	Plant & Machinery	26.87	0.43	-	27.30	4.58	22.72
4	Office Equipments	1.48	0.51	0.13	1.86	0.89	0.96
5	Furniture & fixtures	1.21	0.33	0.10	1.43	0.81	0.62
6	Computers & Printers	0.40	0.30	(0.01)	0.71	0.19	0.51
7	Vehicles	6.50	2.28	0.02	8.76	2.43	6.32
	Grand Total	65.83	8.39	0.25	73.98	11.36	62.61

2015-16

₹ In millions

Sr. No.	Particulars	Bal. as on 31.03.2015	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2016
1	Land	1.41	-	-	1.41	-	1.41
2	Building	30.06	1.50	-	31.56	2.47	29.09
3	Plant & Machinery	22.72	0.68	-	23.40	4.83	18.57
4	Office Equipments	0.96	1.74	-	2.70	0.58	2.13
5	Furniture & fixtures	0.62	0.41	-	1.04	0.38	0.65
6	Computers & Printers	0.51	0.32	0.02	0.82	0.29	0.52
7	Vehicles	6.32	0.01	0.22	6.12	1.85	4.26
	Grand Total	62.61	4.66	0.24	67.04	10.41	56.63

2016-17

₹ In millions

Sr. No.	Particulars	Bal. as on 31.03.2016	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2017
1	Land	1.41	-	-	1.41	-	1.41
2	Building	29.09	0.04	-	29.13	2.23	26.90
3	Plant & Machinery	18.57	0.74	-	19.31	3.88	15.43
4	Office Equipments	2.13	0.17	-	2.30	0.61	1.91
5	Furniture & fixtures	0.65	0.02	-	0.67	0.29	0.38
6	Computers & Printers	0.52	0.01	-	0.53	0.21	0.32
7	Vehicles	4.26	2.94	-	7.21	1.84	5.36
	Grand Total	56.63	3.92	-	60.56	9.06	53.58

2017-18 Half Yearly 1

₹ In millions

Sr. No.	Particulars	Bal. as on 01.04.2017	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 30.09.2017
1	Land	1.41	-	-	1.41	-	1.41
2	Building	26.90	0.83	-	27.73	1.29	26.44
3	Plant & Machinery	15.43	1.25	1.38	15.30	1.46	14.34
4	Office Equipments	1.91	0.35	0.39	1.87	0.35	1.44
5	Furniture & fixtures	0.38	0.67	0.30	0.75	0.08	0.67
6	Computers & Printers	0.32	0.31	0.04	0.59	0.14	0.46
7	Vehicles	5.36	-	-	5.36	0.64	4.29
	Grand Total	53.58	3.41	2.11	53.01	3.96	49.04



₹ In millions

Notes	Particulars	As at	As at	As at	As at	As at	As at
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
2	Non-current Investments						
	Investment in equity Shares (give details separately for fully / partly paid up instruments)-Unquoted						
	Sarveshwar Overseas Ltd.	148.50	148.50	148.50	-	-	-
	Sarveshwar UK Foods Ltd.	-	-	-	-	0.94	-
	Sarveshwar Organic Foods Inc. (USA)	-	-	-	0.62	0.59	-
	Himalayan Bio Organic Foods P Ltd	0.50	-	-	-	-	-
	Investment in partnership firms-Unquoted						
	Sarveshwar Overseas Mills	-	-	-	153.18	115.85	39.69
	Total	149.00	148.50	148.50	153.80	116.45	39.69
3	Other Non-current Assets						
	Advance to Creditors	-	37.26	-	-	-	-
	Total	-	37.26	-	-	-	-
4	Inventories						
	(As taken, verified, valued and certified by the Management)						
	Raw Material	498.41	556.57	622.44	-	-	-
	Finished Goods	547.17	362.56	197.57	1,038.64	840.38	649.54
	Total	1045.58	919.14	820.01	1038.64	840.38	649.54
5	Trade Receivables						
	Receivable other than from promoters/promoters group/directors/related parties						
	Less than Six Months						
	- Secured Considered Good	-	-	-	-	-	-
	- Unsecured Considered Good	447.80	252.56	378.44	139.21	119.55	21.94
	- Considered Doubtful	-	-	-	-	-	-
	More than Six Months						
	- Secured Considered Good	-	-	-	-	-	-
	- Unsecured Considered Good	139.20	139.47	7.15	4.14	3.18	0.07
	- Considered Doubtful	-	-	-	-	-	-
	Less: Provision for doubtful trade receivables	-	-	-	-	-	-
	Total	587.00	392.02	385.59	143.35	122.74	22.01
6	Cash and Cash Equivalents						
	Cash on hand	0.57	0.43	10.20	7.98	0.61	3.57
	Balances with banks						
	in Current accounts	0.65	1.36	0.63	3.19	0.60	0.68
	Total	1.22	1.79	10.84	11.17	1.20	4.25
7	Other Current Assets						
	Interest Accrued but not due/Receivable	0.60	0.64	1.17	0.92	0.68	0.42
	Loans & Advances	8.76	-	0.43	0.39	0.09	0.26
	Security Deposits	5.24	4.55	5.65	5.13	4.93	3.77
	Prepaid Fees & Taxes	0.32	0.24	0.76	0.29	0.31	0.21



Notes	Particulars	As at					
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Total	14.92	5.44	8.01	6.74	6.02	4.65
8	Long-term Borrowings						
	Secured Borrowings						
	Term Loans						
	From Banks	-	-	-	-	-	-
	Loans and Advances from related parties:						
	From Directors / Promoters	-	-	-	-	60.01	77.12
	Total	-	-	-	-	60.01	77.12
9	Other Long Term Liabilities						
	Car Loans	3.01	2.42	0.47	1.06	0.48	0.63
	Advances (Sundry Creditors Exceeding one year)	-	9.61	3.58	10.86	-	-
	Installments due next year	(0.96)	(0.95)	(0.25)	(0.33)	-	-
	Total	2.05	11.08	3.80	11.60	0.48	0.63
10	Trade Payables						
	Due to Others	427.88	306.56	225.79	281.96	55.01	80.41
11	Short-Term Borrowings						
	A. Secured Borrowings						
	From banks						
	Working Capital/ CC Limits	834.09	680.41	740.09	725.89	639.81	298.83
	Warehousing Limits	-	60.72	100.27	83.63	168.17	180.35
	Total	834.09	741.13	840.36	809.52	807.98	479.18
12	Other Current Liabilities						
	Current Maturities of Long-term Debt	-	0.96	0.25	-	-	-
	Other Payables:						
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1.11	2.01	1.04	1.08	0.38	0.28
	(ii) Trade / security deposits received	-	-	-	0.13	-	0.18
	Others:						
	Other Current Liabilities	10.33	10.41	2.47	2.87	1.93	0.68
	Sundry Creditors Others	-	10.45	9.95	13.07	4.51	0.92
	Total	11.44	23.83	13.71	17.15	6.82	2.06
13	Short-term Provisions						
	Provision for tax (net of advance tax)	49.71	15.91	1.53	(2.06)	2.72	3.98
	Total	49.71	15.91	1.53	(2.06)	2.72	3.98
14	Share Capital						
	Authorized						
	3,00,00,000 Equity Shares of Rs.10 each	300.00	300.00	100.00	100.00	100.00	100.00
	Issued, Subscribed & Paid Up						



Notes	Particulars	As at					
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	1,81,00,000 Equity Shares of Rs.10/- each fully paid up	181.00	181.00	-	-	-	-
	90,50,000 Equity Shares of Rs.10/- each fully paid up		-	90.50	90.50	90.50	90.50
15	Reserves & Surplus						
	Surplus/ (Deficit) in the Statement of Profit & Loss:						
	Opening Balance	280.58	255.25	208.82	129.65	57.55	2.61
	Add: Profit for the year	61.87	117.25	48.50	79.90	72.92	54.94
	Less: Issue of Bonus Shares		90.50	-	-	-	-
	Less: Prior Period Adjustments		1.42	2.07	0.73	0.82	-
	Closing Balance	342.44	280.58	255.25	208.82	129.65	57.55
16	Revenue from Operations						
	Sale of Products:						
	Manufacturing	774.30	1,315.27	1,555.01	1,260.80	1,148.72	225.70
	Trading	515.99	760.75	51.87	121.56	35.18	6.54
	Total	1,290.30	2,076.03	1,606.88	1,382.37	1,183.90	232.24
	Less: Excise Duty	-	-	-	-	-	-
	Revenue from Operations (Net)	1,290.30	2,076.02	1,606.88	1,382.37	1,183.91	232.24
	Total	1,290.30	2,076.02	1,606.88	1,382.37	1,183.91	232.24
17	Other Income						
	Currency Exchange Difference	1.22	0.97	1.30	(1.63)	5.74	0.37
	Discount Received	1.27	-	0.01	0.26	0.38	0.47
	Interest on FDR	0.01	0.12	0.29	0.27	0.30	0.21
	Interest Subsidy	6.92	-	-	4.89	5.17	4.14
	Income from agricultural Jammu	-	0.98	0.16	2.17	1.10	-
	Miscellaneous income	1.22	1.99	1.72	43.81	38.34	40.21
	Total	10.64	4.06	3.48	49.80	51.04	45.40
18	Cost of Raw Material Consumed/Traded						
	Inventories at the beginning of the year	556.57	622.44	373.06	403.28	330.51	159.14
	Add: Purchases	1,211.07	1,740.52	1,016.65	1,281.90	1,163.09	493.75
	Freight Inward	1.94	8.94	12.37	16.25	6.69	0.48
	Packing Material Purchase	14.00	31.79	-	-	-	-
	Less: Inventories at the end of the year	498.41	556.57	622.44	373.06	403.27	330.51
	Total	1,285.18	1,847.12	779.64	1,328.37	1,097.02	322.86
19	Changes in Inventories of Finished Goods & WIP						
	Inventories at the end of the year						
	Finished Goods	547.17	362.56	197.57	665.59	437.11	319.03
	Inventories at the beginning of the year						
	Finished Goods	362.56	362.56	197.57	665.59	437.11	319.03
	Total	(184.60)	(165.00)	468.02	(228.48)	(118.08)	(145.60)
20	Employee Benefit Expenses						
	Salaries	7.50	19.78	22.28	14.19	12.83	3.44

Notes	Particulars	As at	As at	As at	As at	As at	As at
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Staff Welfare	0.41	0.92	0.63	0.73	0.65	0.04
	Bonus	0.23	0.44	0.50	0.38	0.37	0.10
	Directors Salary	1.50	3.00	1.20	-	-	-
	Keyman Insurance	-	-	-	1.05	1.18	-
	Contribution to PF	0.32	0.58	0.61	0.55	0.54	0.16
	Other Employee Benefits	0.10	0.10	0.43	0.25	0.46	0.26
	Total	10.06	24.84	25.64	17.15	16.04	4.00
21	Finance Costs						
	Bank Charges	0.09	1.43	1.27	0.51	1.48	0.87
	Bank Interest	37.05	80.35	84.49	66.59	63.37	14.69
	Other Interest	-	0.13	-	-	-	-
	Total	37.14	81.91	85.76	67.11	64.84	15.56
22	Other Expenses						
	Manufacturing Expenses						
	Consumptions of Stores & Spares	0.11	0.14	2.36	1.32	-	0.06
	Packing Material	-	-	-	42.82	7.62	-
	Power & Fuel	0.83	3.67	4.75	4.04	4.20	-
	Repairs & Maintenance	1.67	3.47	7.43	6.36	2.38	0.03
	Insurance Premium	-	2.23	2.61	3.52	2.24	-
	Job Work and Labour Charges	9.06	21.09	24.59	13.92	8.98	-
	Other Manufacturing Expenses	1.37	9.02	10.98	10.45	0.73	1.34
			-	-	-	-	-
	Selling & distribution		-	-	-	-	-
	Freight & Transportation	15.87	29.81	42.86	26.04	19.06	
	Rebate & Discounts	0.69	4.72	10.65	2.10	-	1.06
	Advertisement & Promotions	3.03	5.82	6.83	2.56	3.76	0.01
	Other Selling & Distribution Expenses	0.89	6.84	-	-	-	1.16
	Brokerage & Commission	1.07	3.16	3.05	3.66	2.52	0.74
			-	-	-	-	-
	Other Administrative Expenses		-	-	-	-	-
	Travelling & conveyance	2.13	4.00	5.07	4.77	4.64	0.04
	Communication Expenses	0.62	1.65	1.19	1.13	1.09	-
	Legal & Professional Charges	1.25	3.21	4.06	6.01	4.17	0.04
	Rent Rates & Taxes	4.85	14.90	7.65	7.43	5.15	0.83
	Printing & Stationery	0.66	0.55	0.70	0.76	0.66	0.02
	Auditors Remuneration	0.18	0.51	0.41	0.03	0.28	0.03
	Repairs & Maintenance	2.22	2.09	0.97	1.30	0.38	-
	Miscellaneous Expenses	5.42	4.53	42.04	4.86	5.90	6.02
	CSR Expenses	-	3.05	1.80	1.60	2.40	-
	Total	51.92	124.46	179.99	144.69	76.16	11.39



Annexure V - Summary of Accounting Ratios

₹ & No. in Millions, except per share data

Particulars	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Net Profit after tax as restated	63.60	117.25	48.50	79.90	72.92	54.94
Number of equity shares outstanding at end of the year	18.10	18.10	9.05	9.05	9.05	9.05
Weighted Average number of equity shares Outstanding during the year / period considered for Basic EPS	18.10	18.10	9.05	9.05	9.05	9.05
Weighted Average number of equity shares Outstanding during the year / period considered for Diluted EPS	18.10	18.10	9.05	9.05	9.05	9.05
Net Worth	523.44	461.58	345.75	299.31	220.15	148.05
Earnings Per Share (EPS)						
Basic EPS (Rs.)	7.08*	6.48	5.36	8.83	8.06	6.07
Diluted EPS (Rs.)	7.08*	6.48	5.36	8.83	8.06	6.07
Adjusted EPS (Rs.)	7.08*	6.48	2.68	4.41	4.03	3.04
Return on Net Worth (%)	24.30*	25.40	14.03	26.69	33.12	37.11
Net Asset Value per Equity Share (Rs.)	28.92	25.50	38.20	33.07	24.33	16.36
Adjusted NAV	28.92	25.50	19.10	16.54	12.16	8.18

*Annualised

2. Formula :

$$\text{Earnings per Share (Rs.)} = \frac{\text{Net Profit after Tax as restated}}{\text{Weighted Average number of equity shares outstanding during the period}}$$

$$\text{Net Asset Value Per Share (Rs.)} = \frac{\text{Net Worth as restated}}{\text{Number of equity shares outstanding at the end of the year/period}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit after tax as restated}}{\text{Net worth as restated}}$$

3. Earnings per share (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

Annexure VI – Statement of Capitalization

₹ in millions

Particulars	Pre-Issue as at 30-September-17	As adjusted for Issue*
Debts		
Long Term Borrowings	-	
Short Term Borrowings	834.09	
Total Debt	834.09	
Equity (shareholder's funds)		
Equity Share Capital	181.00	
Reserves & Surplus	342.44	
Total Equity	523.44	
Debt / Equity Ratio	1.59	

*figures shall be updated at the time of filing of Prospectus with ROC


Annexure VII – Statement of Contingent Liabilities
₹ In millions

Particulars	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Disputed Tax liability	-	-	-	-	-	-
Corporate guarantee by Company against loans taken by relative of promoter	-	-	-	-	-	-
Bank guarantee	0.73	0.73	-	-	-	-
Total	0.73	0.73	-	-	-	-

Annexure VIII – Statement of Tax Shelter
₹ In millions

Particulars	As at 31.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Profit before Tax but after extraordinary and exceptional items as restated (a)	97.27	157.71	62.38	91.99	87.67	59.21
Tax Rate						
Tax at Notional Rate on Profit						
Adjustments :						
Permanent Differences						
<i>Income From Partnership Business</i>			-	38.93	32.20	40.11
<i>Interest on TDS</i>			0.004	0.01	-	0.003
<i>Deduction/s 80IB</i>	13.31		19.31	14.82	12.53	4.80
<i>Employees Contribution to ESI</i>			-	-	0.01	-
<i>Expenses on CSR</i>		3.05	1.80	1.60	2.40	-
<i>Donation</i>		0.23	0.01	0.02	0.04	-
<i>Profit on Sale of Fixed Assets</i>			(0.02)	0.01	-	0.13
Total of Permanent Difference (b)	13.31	(3.28)	17.47	52.12	42.28	45.04
Timing Differences:						
<i>Depreciation as per Companies Tax</i>	2.20	9.06	9.02	11.34	11.29	0.25
<i>Depreciation as per Income Tax</i>	1.74	7.81	8.42	9.26	9.68	0.13
Total of Timing Difference (c)	(0.47)	(1.26)	(0.59)	(2.07)	(1.60)	(0.11)
Net Adjustments (d) (b + c)	12.85	(4.54)	16.87	50.04	40.68	44.92
Tax Saving			-	-	-	-
Profit/(loss) as per Income Tax returns (e)= (a-d)	84.42	162.24	45.51	41.95	46.99	14.28
Brought forward losses adjusted (f)			-	-	-	-
Taxable Income/(loss) (E+F)	84.42	162.24	45.51	41.95	46.99	14.28
Taxable Income/(loss) as per MAT	43.91	158.12	60.90	53.04	59.47	19.08
Tax as per Income tax as returned	10.75	42.30	15.04	13.61	15.24	4.63
Interest u/s 234	-	2.66	-	-	-	-
Total Tax as per return	10.75	44.96	15.05	13.61	15.25	4.63
Carry forward business loss	-	-	-	-	-	-
Carry forward depreciation loss	-	-	-	-	-	-
Total carry forward loss as per return of the year	-	-	-	-	-	-



Annexure IX – Earnings per Share

₹ In millions except per share data

Particulars	As at 30.09.17	As at 31.03.17	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Weighted average number of Equity Shares of ₹10 each	18.10	18.10	9.05	9.05	9.05	9.05
Number of shares at the end of the year	18.10	18.10	9.05	9.05	9.05	9.05
Weighted average number of Equity Shares outstanding during the year	18.10	18.10	9.05	9.05	9.05	9.05
Weighted average number of Potential Equity Shares outstanding during the year	18.10	18.10	9.05	9.05	9.05	9.05
Total number of Equity share for calculating Diluted Earnings Per Share	18.10	18.10	9.05	9.05	9.05	9.05
Net Profit after Tax available for Equity shareholders	63.60	117.25	48.50	79.90	72.92	54.94
Basic Earnings Per Share (in ₹)	7.08*	6.48	5.36	8.83	8.06	6.07
Diluted Earnings Per Share (in ₹)	7.08*	6.48	5.36	8.83	8.06	6.07
Adjusted Earnings Per Share (in ₹)	7.08*	6.48	2.68	4.41	4.03	3.04

*Annualised



Annexure X – Related Party Transactions

A. List of related parties & their relationship

Name of Related Party	Relationship
Rohit Gupta	Key Managerial Personnel
Sarveshwar Overseas Mills	Associate Concerns
Sarveshwar Logistics	Associate Concerns
Radhika Overseas	Associate Concerns
Sarveshwar International	Associate Concerns
Himalayan Bio Organic Foods Pvt Ltd	Subsidiary Company
Himalayan Ancient Foods Pvt Ltd	Associate Concerns
Radhika Pest Control	Associate Concerns
Sarveshwar Overseas Ltd	Subsidiary Company
Suraj Prakash Gupta	Relative of Promoters/ Directors/ KMP's
Radha Rani	Relative of Promoters/ Directors/ KMP's
Pooja Gupta	Relative of Promoters/ Directors/ KMP's
Shree Jee Trading	Enterprises owned and controlled Key Managerial Personnel and their Relatives

B. Statement of Significant Related Party Transactions As per AS-18

₹ In millions

Particulars	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
a) Rent Paid						
Rohit Gupta	2.40	7.20	3.31	2.22	1.94	-
Suraj Prakash Gupta	0.99	1.20	0.29	0.28	0.30	-
Radha Rani Gupta	0.75	3.00	1.16	1.11	0.97	-
Pooja Gupta	0.30	1.20	0.28	0.28	0.30	-
b) Sales Transactions						
Sarveshwar Overseas Mills	-	-	-	45.33	26.17	15.78
Radhika Overseas	-	5.75	1.34	5.40	16.98	-
Sarveshwar International	11.20	-	25.04	-	-	-
Sarveshwar USA	-	-	3.83	3.67	3.65	-
Sarveshwar Overseas Limited	-	-	7.94	-	-	-
Shree Jee Trading	-	-	-	1.75	2.12	-
Himalayan Bio Organic Pvt. Ltd.	83.70					
c) Purchase Transactions						
Sarveshwar Overseas Mills	-	-	-	24.43	2.83	0.60
Sarveshwar Overseas Limited	-	-	45.09	-	-	-
Himalayan Bio Organic Pvt Ltd.	66.03					
d) Salary Paid						
Rohit Gupta	1.50	3.00	1.21	-	-	-
e) Freight						
Sarveshwar Logistics	2.91	5.05	5.37	2.85	0.90	-



C. Company has following amount due from/to related parties

₹ In millions

Outstanding Balances	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Rent Outstanding to Directors	2.64	2.68				0.20
Rent Deposit Given to Relative of Director	1.25	1.26	(0.07)	-	-	0.08
Due to Directors	-	-	-	-	-	-
Managerial Remuneration Payable to Director	0.90	0.90	0.15	-	(0.07)	(0.04)
Salary Payable to Relative of Director	-	-	-	-	-	-



RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Dated: 07-02-2018

To,
The Board of Directors,
Sarveshwar Foods Limited,
Sarveshwar House, Below Gumat,
Jammu, Jammu and Kashmir - 180001

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Sarveshwar Foods Limited

We have examined and found correct the annexed Consolidated restated summary statements of Sarveshwar Foods Limited for the six months ended September 30, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014, & 2013 prepared by the Company and approved by its Board of Directors.

The accompanying restated audited financial information, expressed in Indian Rupees, in millions, (“**Restated Consolidated Financial Information**”) of the Company comprising the Consolidated financial information has been prepared by the management of the Company in accordance with the requirements of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”) issued by the Securities and Exchange Board of India (the “**SEBI**”) in connection with the proposed Initial Public Offering of Equity Shares of the Company (the “**Issue**”) for the purposes of inclusion in the offer document being issued in this regard and has been approved by the Board of Directors.

The Consolidated financial statements of the Company for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, were audited and reported upon by Anil Gupta having ICAI Membership Number: 094713, representing the then peer review statutory auditors of the Company, P.C Bindal & Co., Chartered Accountants, (ICAI Firm Registration Number 003824N), as partner, for which they have expressed unmodified audit opinions vide their audit reports for respective years. The Financial Statement for 6 months ended on September 30’2017 were audited by our firm i.e K R A & Co., Chartered Accountants, (ICAI Firm Registration Number 020266N), for which we have expressed unmodified audit opinions vide our audit reports.

At the date of signing this report, we have not come across any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of the Companies Act, 2013.

In accordance with the requirements of:

- Schedule III to the Companies Act, 2013;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009(‘the SEBI ICDR Regulations’)and
- The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and terms of reference received from the Company in connection with the proposed public issue of Equity shares of the Company.
- The terms of reference given vide the Company’s letter dated October 01, 2017 requesting us to carry out work in connection with the Issue as aforesaid, we report that:-

1. The Consolidated summary statement of assets and liabilities, as restated, of the Company and its subsidiaries as at September 30, 2017, March 31, 2017, 2016, 2015, 2014, & 2013 are as set out in **Annexure I** to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts alongwith adjustments / restatement on account of changes in rates of depreciation under companies Act 2013, as appearing in **Annexure IV** to this report.
2. The Consolidated summary statement of profit and loss, as restated of the Company and its subsidiaries for 6 months period ended September 30, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014, & 2013 are as set out in **Annexure II** to this report. These profits have been arrived after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts alongwith adjustments / restatement on account of changes in rates of depreciation under companies Act 2013, as appearing in **Annexure IV** to this report.
3. We have examined the Consolidated summary statement of cash flow, as restated relating to the Company for 6 months period ended September 30, 2017 and for financial years ended March 31, 2017, 2016, 2015, 2014, & 2013 appearing in **Annexure III** to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments / restatements on account of changes in rates of depreciation under companies act 2013, as appearing in **Annexure IV** to this report.

These Consolidated summary statements have been prepared by the Company and approved by its Board of Directors (these statements are herein collectively referred to as the “Consolidated Restated Summary Statements”). These statements have been extracted from the audited Consolidated financial statements of the Company for 6 months period ended September 30, 2017 and for financial year ended March 31, 2017, 2016, 2015, 2014, & 2013



The Restated Financial Information should be read in conjunction with the Statement of Significant Accounting Policies and Notes to the Restated Statements enclosed as **Annexure IV**.

Other Financial Information:

At the Company's request, we have also examined the following Other Financial Information relating to the Company as at and for the years ended on September 30 2017, March 31, 2017, 2016, 2015, 2014 and 2013, proposed to be included in the Offer Document, prepared by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

- i. Statement of Accounting Ratios, enclosed as Annexure V.
- ii. Statement of Capitalisation, as appearing in Annexure VI
- iii. Statement of Contingent Liabilities, enclosed as Annexure VII
- iv. Statement of Tax Shelter, enclosed as Annexure VIII
- v. Statement of Earnings Per Share, enclosed as Annexure IX
- vi. Statement of Related Party Transactions as Annexure X

Management's Responsibility for the Restated Financial Information

The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the management of the company. The Board of Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibility for the Restated Financial Information

Our work has been carried out in accordance with Generally Accepted Auditing Standards and in accordance with the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

Opinion

- a) The Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation of financial information and respective significant accounting policies have been prepared in accordance with the Act and the SEBI Regulations;
- b) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per changed accounting policy for all the reporting Adjustments for the material amounts in the respective financial period/years to which they relate;
- c) All respective changes have been taken into account as per the policies followed as on September 30, 2017 and have been accordingly reported in the financials attached;
- d) The material adjustments relating to previous years have been adjusted in the year to which they relate;
- e) There are no extra-ordinary items which need to be disclosed separately.

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by another firm of chartered accountants on the financial statements of the Company.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Public Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For: K R A & Co.
Chartered Accountants
ICAI Firm Reg. No: 020266N

Partner
Membership No: 503150
Place: Jammu


Annexure I : Statement of Assets and Liabilities, as restated
₹In Millions

Particulars	Notes No.	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
ASSETS							
Non-Current Assets							
Fixed assets							
Tangible assets	1	245.19	253.21	272.57	297.76	253.09	262.28
Capital work in progress		-	0.99	-	-	-	-
Non - current investments	2	-	-	-	0.62	0.60	0.94
Deferred Tax Assets (Net)		3.29	2.81	2.29	(2.28)	(1.08)	0.04
Other non - current assets	3	-	82.00	-	-	-	-
Total Non Current Assets		248.48	339.01	274.86	296.10	252.61	263.27
Current Assets							
Inventories	4	2,335.02	2,237.11	1,590.65	2,310.17	1,614.70	1,169.52
Trade receivables	5	1,493.64	659.57	853.78	218.90	242.49	105.31
Cash and cash equivalents	6	5.85	2.39	14.97	14.14	5.84	5.45
Other Current Assets	7	47.51	13.82	14.31	25.36	18.46	8.62
Total Current Assets		3,882.02	2,912.88	2,473.71	2,568.57	1,881.50	1,288.90
LIABILITIES							
Non-current Liabilities							
Long-term borrowings	8	13.34	34.54	302.06	157.12	201.99	249.44
Other long-term liabilities	9	1.10	21.42	9.45	255.61	97.24	123.50
Total Non Current Liabilities		14.44	55.97	311.51	412.73	299.22	372.94
Current Liabilities							
Trade payables	10	1,174.54	627.04	325.58	452.76	115.50	126.60
Short-term borrowings	11	2,041.55	1,753.73	1,684.61	1,681.50	1,488.35	896.61
Other current liabilities	12	59.07	93.52	68.34	19.64	8.18	3.99
Short term provisions	13	60.19	18.48	4.17	-	2.72	3.98
Total Current Liabilities		3,335.35	2,492.78	2,082.70	2,153.90	1,614.75	1,031.18
Minority Interest		1.81	1.69	1.57	-	-	-
Net Worth Represented by							
Equity Share Capital	14	181.00	181.00	90.50	90.50	90.50	90.50
Preference Share Capital		220.00	220.00	-	-	-	-
Share & Warrant Application Money Pending Allotment							
Reserves and Surplus	15	377.91	300.45	262.30	207.53	129.65	57.56
Net Worth		778.92	701.45	352.80	298.03	220.15	148.06



Annexure II: Statement Profit and Loss, as restated

₹In Millions

Particulars	Notes No.	Period ended 30.09.2017	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
Revenue							
Revenue from Operations	16	2,571.05	4,178.45	3,544.19	2,593.09	2,376.25	1,022.07
Other Income	17	22.84	20.44	7.75	31.93	37.48	8.58
Total Revenue		2,593.89	4,198.89	3,551.94	2,625.02	2,413.73	1,030.65
Expenses							
Cost of Material Consumed	18	1,428.82	2,491.07	1,616.51	2,187.97	2,096.49	1,206.92
Purchases of Stock in Trade		1,058.08	1,789.66	410.16	294.11	210.92	62.99
Changes in Inventories of FG & WIP	19	(231.45)	(702.99)	899.39	(482.28)	(353.03)	(467.90)
Employee Benefit Expenses	20	41.64	77.50	90.93	60.18	39.78	16.69
Depreciation and Amortization	1	11.96	27.06	36.96	33.14	28.30	28.42
Finance Costs	21	101.26	188.51	204.39	175.40	138.85	70.71
Other Expenses	22	62.84	151.84	224.10	255.97	154.78	53.61
Total Expenses		2,473.15	4,022.65	3,482.44	2,524.49	2,316.09	971.44
Profit before Tax		120.74	176.24	69.51	100.53	97.64	59.21
Tax Expenses							
Current Tax		41.71	48.93	16.72	21.52	23.61	4.30
Current Tax expenses relating to prior years		-	-	-	-	-	0.01
Net Current Tax Expense		41.71	48.93	16.72	21.52	23.61	4.31
Deferred Tax		(0.26)	(0.78)	(1.52)	(0.72)	-	-
Profit/ (Loss) after tax as per Audited Accounts (A)		79.29	128.09	54.31	79.73	74.03	54.90
Impact of change in Accounting Policies and Estimates		-	1.95	1.48	0.25	(1.61)	0.01
Excess/ (short) Provision for Taxation		-	0.40	0.41	0.08	(0.50)	(0.04)
Total Impact of Adjustment		-	1.56	1.07	0.17	(1.11)	0.05
Total Adjustments net of tax impact (B)		-	1.56	1.07	0.17	(1.11)	0.05
Net Profit as Restated (A+B)		79.29	129.64	55.38	79.90	72.92	54.95
Minority Interest		(0.12)	(0.12)	(0.07)	-	-	-
Prior Period Adjustments-Income tax		(1.72)	(0.87)	(0.54)	(2.01)	(0.83)	0.01
Net Restated Profit for the year		77.45	128.65	54.77	77.89	72.09	54.95
Surplus/(Deficit) brought forward from previous years		300.45	262.30	207.53	129.65	57.56	2.61
Balance available for appropriations, as restated		377.91	390.95	262.30	207.53	129.65	57.56
Appropriation							
Bonus Shares		-	90.50	-	-	-	-
Balance Carried forward as restated		377.91	300.45	262.30	207.53	129.65	57.56



Annexure III: Statement of Cash Flow, as restated

₹In Millions

Particulars	Period ended	Year ended	Year ended	Year ended	Year ended	Year ended
	30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
A] Cash Flow from Operating Activities						
Net Profit Before tax	120.74	176.24	69.51	100.53	97.64	59.21
Adjustment for						
Depreciation & Amortization	11.96	25.11	31.08	32.90	29.91	21.55
Finance Costs	101.05	187.27	198.65	171.60	138.86	70.71
Foreign Exchange Gain/ (Loss)	1.50	2.81	1.30	0.05	18.94	0.62
Interest Income	0.22	0.55	0.70	0.65	0.64	0.57
Loss (Gain) on Sale of Fixed Assets	-	-	0.03	(0.03)	-	(0.13)
Operating Profit/ (Loss) before Working Capital Changes						
	232.03	385.27	297.28	304.29	245.29	150.15
Adjustment for increase/ (decrease) in operating assets:						
Inventories	(97.91)	(646.46)	719.53	(695.47)	(445.18)	(955.87)
Trade Receivables	(834.08)	191.04	(634.88)	23.59	(137.18)	(100.56)
Other Current Assets	(34.73)	0.49	8.98	(4.83)	(9.84)	12.72
Adjustment for increase/ (decrease) in operating liabilities:						
Trade Payables	548.53	304.63	(127.18)	337.26	(11.10)	99.60
Other Current Liabilities	(34.45)	25.18	48.69	11.47	4.19	3.79
Short Term Borrowings	287.82	69.12	3.11	193.14	591.75	780.58
Short Term Provisions	-	-	(151.65)	70.55	53.97	27.13
Cash Generated From Operations	67.21	329.29	163.88	240.01	291.89	17.54
Net Income Tax (Paid) / refunds	-	35.25	12.55	18.25	17.33	0.35
Net Cash from / (used in) Operating Activities(A)	67.21	364.54	176.43	258.26	309.22	17.88
B] Cash Flow from Investing Activities						
Capital expenditure on Fixed Assets, including capital advances	4.89	7.12	9.49	75.49	19.14	112.31
Increase / (Decrease) in Investment	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	0.10	0.05	0.03	0.33
Other Non Current Assets	82.00	(82.00)	-	-	-	-
Interest received	0.22	0.55	0.70	0.65	0.64	0.57
Share of profit from partnership firm	-	-	-	-	-	(36.16)
Amount paid/ (received) from partnership firms/ AOPs/ LLPs	-	-	-	-	-	-
Net Cash Flow from/(used in) Investing Activities (B)	77.33	(88.57)	(8.70)	(74.79)	(18.47)	(147.57)
C] Cash Flow from Financing Activities						
Proceeds from Issue of Share Capital	-	220.00	155.30	(84.83)	(117.32)	46.35
Proceeds from Long Term Borrowing	-	-	144.94	15.14	(30.34)	103.63
Proceeds from Other Long-term Liabilities	(41.53)	11.98	(246.16)	123.62	(3.13)	14.75
Repayment of Long Term Borrowing	-	-	-	(60.00)	(17.11)	-
Repayment of Long Term Liabilities	-	(267.52)	-	-	-	-
Finance Charges	(101.05)	(187.27)	(198.65)	(171.60)	(138.86)	(70.71)
Foreign Exchange Gain/ (Loss)	1.51	2.81	1.30	0.05	18.94	0.62
Net Cash Flow from/ (used in) Financing Activities (C)	(141.07)	(220.00)	(143.27)	(177.62)	(287.83)	94.64
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	3.46	(12.59)	0.83	8.30	0.39	4.39
Cash & Cash Equivalents at beginning of the year	2.39	14.97	14.14	5.84	5.45	1.06
Cash & Cash Equivalents at end of the year	5.85	2.39	14.97	14.14	5.84	5.45



Components of Cash & Cash Equivalent						
Cash in Hand	1.38	0.85	14.06	10.35	2.15	4.77
Cash/ Bank Balance with Bank (Current Account)	4.47	1.53	0.92	3.79	3.69	0.68
CASH AND CASH EQUIVALENTS	5.85	2.39	14.97	14.14	5.84	5.45

Annexure IV – Significant Accounting Policies & Notes to Accounts to the Restated Financial Statements

a. Corporate information

Sarveshwar Foods Limited (formerly Sarveshwar Organic Foods Limited) ("herein referred as company or holding company") is engaged in the dehusking of paddy, organic rice, ready to eat products and import and export of other food items.

The company is a closely held public limited company controlled by the family of promoters. The directors of the company are well experienced in the line of activity. The Company holds 99% share capital as on date in Sarveshwar Overseas Limited ("herein referred as subsidiary or subsidiary company").

b. Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention and on accrual basis of accounting. The Company has prepared these financial statements in accordance with the Generally Accepted Accounting Principles in India and to comply in all material respects with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policy adopted in preparation of the financial statements are consistent with those followed in previous year.

i. General

The restated consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under section 133 of the Companies Act, 2013. The restated consolidated financial statements have been prepared on Accrual basis under the Historical Cost Convention. The Accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for calculation of depreciation (Refer Note no. 2.6).

ii. Specific

The "Consolidated Restated Summary Statements" include financial information of Sarveshwar Overseas Ltd. ("Subsidiary Company") which is the subsidiary of the Company w.e.f. April 1, 2015. Subsidiary Company was a partnership firm during the financial years 2014-15, 2013-14 & 2012-13 and same was converted as Subsidiary Company w.e.f. April 1, 2015. For the purposes of this "Consolidated Restated Summary Statements", financial information from the Audited financial statements of subsidiary Company for the 6 months ended September 30, 2017 and for the financial year ended March 31, 2017 & 2016 and Audited financial statements of the partnership firm for financial year ended March 31, 2015, 2014 & 2013 are considered.

Thus for the purpose of restated consolidated financial statements, consolidation for the year ended March 31, 2015, 2014 and 2013 is done only on the initiative of management and the same is not a statutory requirement. Therefore for the purpose of consolidation for these years, the assets, liabilities, income and expenses are consolidated as if it was a consolidation of joint venture without making any adjustments on account of changes in accounting policies with retrospective effect. The percentage of share in profit for the holding company in subsidiary company for the year ended March 31, 2015, 2014, and 2013 (then partnership firm) was 99%, 70% and 70% respectively.

c. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period.

Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

d. Revenue Recognition

- Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized gross of excise duty but net of sales tax and value added tax.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Dividend on investment is recognized when the company's right to receive dividend is established.

e. Export Incentives

Export Incentives are accounted for on accrual basis to the extent considered receivable.

f. Tangible Assets

- Fixed Assets are stated at cost net of Cenvat/VAT (to the extent allowable as input credit), wherever applicable, less accumulated depreciation. Costs incurred for bringing relevant assets in working condition, including financing costs till the respective asset is put to use, are capitalized.
- Leasehold Land is stated at cost.
- Assets under installation/commissioning are shown under Capital Work-in-Progress in last year are capitalised & commissioned during the year for which installation certificate has been obtained..

g. Depreciation

- Depreciation on Tangible Fixed Assets is being provided on “Straight Line Method” basis at the rates and manner prescribed specified in Schedule to the Companies Act, 2013.
- Depreciation in respect of addition to the fixed assets is provided on Pro-rata Basis.
- Depreciation of Plant and Machinery is charged to multiple shifts.

h. Borrowing Costs

Borrowing Costs attributable to production, construction or acquisition of the qualifying assets are capitalized till the date the asset is put to use. Other borrowing costs are charged to Profit & Loss Account.

i. Investments

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

j. Inventories

- Inventories of Raw Material, Finished Goods are valued at cost or Net Realizable Value, whichever is lower.
- Cost of Inventories comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to the present location and condition.
- Work in Progress is valued at cost, which includes direct cost and portion of overheads.
- Stores, Spares and Tools are being values at cost.
- Goods in Transit, if any, are stated at actual cost incurred up to the date of balance sheet.
- Valuation of Finished Goods includes central excise duty, which is considered as cost in accordance with Accounting Standard 2.
- Stock is taken as valued & certified by management.

k. Excise/Cenvat

Cenvat credit availed during the year is reduced from purchase cost and related fixed assets and added to cenvat receivable account. The adjustment against excise duty during the year is debited to excise duty paid account and credited to cenvat receivable account. Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the excise rules.

l. Pre IPO Expenses

Pre IPO expenses comprise of expenses related to proposed public issue of Equity Shares of the Company. The same shall be amortized against Securities Premium in the year of allotment of securities under the said public issue.

m. Foreign Currency Transactions

- Transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- Differences on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization are considered as revenue in nature unless context requires otherwise.
- Differences in translation of Current Assets and Current Liabilities remaining to be settled in foreign currency at the year-end are recognized in the Statement of Profit and Loss.

n. Taxes on Income

- Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared, applying the applicable income tax rates and provisions.
- Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax Assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

o. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate or the recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. After Recognition of an impairment loss or reversal of an impairment loss, the depreciation charge for the assets is adjusted in future period to allocate the assets revised carrying amount, less its residual value(if any), over its remaining useful life.

p. Employees Retirement Benefit

- Short term benefit payable to employees wholly within twelve months of rendering services such as salaries, wages etc. are recognized in the period in which the employee renders the related service.
- Defined Contribution Plan
The Company's contribution to the state governed employees provident fund scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.
- Defined Benefit Plan
The Company has employees' gratuity fund scheme administered by a Trust managed by Life Insurance Corporation of India. The present value of the obligation is determined based on actuarial valuation carried out by Life Insurance Corporation of India using the projected unit credit method based on which the Company pays its contribution to the fund on periodic basis.
- As per the policy of the Company, no leave encasement is allowed.

p. Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

q. Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

r. Impact of Material Adjustment

₹In Millions

Particulars	2017-18 Half Year	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profit & Loss as per Audited Statement of Profit & Loss Account	79.18	128.09	54.31	79.73	74.03	54.90
Adjustment on Account of changes in accounting policies (A)	-	1.95	1.48	0.25	(1.61)	0.01
Prior Period Items (B)	-	-	-	-	-	-
Tax Impact on Adjustments (C)	-	0.40	0.41	0.08	(0.50)	(0.04)
Total impact of the adjustments(A+B-C)	-	1.56	1.07	0.17	(1.11)	0.05
Net profit / (loss) after tax, as restated	79.18	129.64	55.38	79.90	72.92	54.94



Notes on adjustments to the restated summary statements and other disclosures

All the Expenses of Prior Periods are Recognized & Given effects in the years for which it pertains in restated Statement of Profit and Loss. The corresponding changes in the Sundry Creditors had been made in the Restated Statement of Assets and Liabilities.

Notes forming parts of restated financial statements

Note 1

2012-13

₹In Millions

Sr. No.	Particulars	Bal. as on 31.03.2012	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2013
1	Land	60.07	-	0.33	59.74	-	59.74
2	Building	65.05	25.32	0.59	89.78	8.26	81.52
3	Plant & Machinery	108.05	17.69	-	125.74	18.03	107.71
4	Office Equipments	3.84	1.00	-	4.84	0.72	4.12
5	Furniture & fixtures	0.83	0.60	-	1.43	0.14	1.29
6	Computers & Printers	0.48	0.72	-	1.19	0.60	0.60
7	Vehicles	3.03	2.71	0.31	5.42	0.68	4.75
	Grand Total	243.91	48.04	1.23	288.14	28.42	262.29

2013-14

₹In Millions

Sr. No.	Particulars	Bal. as on 31.03.2013	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2014
1	Land	59.74	-	-	61.14	-	61.14
2	Building	81.52	8.42	-	90.64	8.84	81.80
3	Plant & Machinery	107.71	5.23	-	113.10	16.86	96.24
4	Office Equipments	4.12	1.40	-	5.55	0.77	4.79
5	Furniture & fixtures	1.29	0.25	-	1.57	0.15	1.42
6	Computers & Printers	0.60	0.67	-	1.27	0.64	0.63
7	Vehicles	4.75	3.16	0.03	8.10	1.04	7.06
	Grand Total	262.29	19.14	0.03	281.38	28.30	253.08

2014-15

₹In Millions

Sr. No.	Particulars	Bal. as on 31.03.2014	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2015
1	Land	61.14	25.6	-	86.74	-	86.74
2	Building	81.8	28.89	-	110.69	10.09	100.60
3	Plant & Machinery	96.24	30.98	14.65	112.56	17.31	95.25
4	Office Equipments	4.79	3.47	0.13	8.13	1.81	6.32
5	Furniture & fixtures	1.42	0.56	0.10	1.88	0.85	1.03
6	Computers & Printers	0.63	0.66	0.01	1.31	0.53	0.78
7	Vehicles	7.06	2.53	-	9.58	2.55	7.03
	Grand Total	253.08	92.69	14.88	330.90	33.14	297.76



2015-16

₹In Millions

Sr. No.	Particulars	Bal. as on 31.03.2015	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2016
1	Land	86.74	4.49	-	91.23	-	91.23
2	Building	100.60	0.36	-	100.96	7.72	93.24
3	Plant & Machinery	95.25	5.17	1.74	99.43	24.12	75.31
4	Office Equipments	6.32	2.19	-	8.51	2.06	6.45
5	Furniture & fixtures	1.03	0.47	-	1.50	0.57	0.93
6	Computers & Printers	0.78	0.33	0.02	1.10	0.31	0.79
7	Vehicles	7.03	0.01	0.22	6.80	2.18	4.62
	Grand Total	297.76	13.02	1.98	309.16	36.96	272.57

2016-17

₹In Millions

Sr. No.	Particulars	Bal. as on 31.03.2016	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2017
1	Land	91.23	-	-	91.23	-	91.23
2	Building	93.24	2.12	-	95.35	8.36	86.99
3	Plant & Machinery	75.31	1.17	-	76.48	14.41	62.07
4	Office Equipments	6.45	0.53	-	6.98	1.58	5.40
5	Furniture & fixtures	0.93	0.83	-	1.77	0.38	1.39
6	Computers & Printers	0.79	0.11	-	0.89	0.38	0.51
7	Vehicles	4.62	2.94	-	7.56	1.95	5.62
	Grand Total	272.57	7.52	-	279.51	27.06	253.21

2016-17

Half Yearly

₹In Millions

Sr. No.	Particulars	Bal. as on 31.03.2016	Additions	Deductions	Closing Balance	Depreciation	Bal. as on 31.03.2017
1	Land	91.23	-	-	91.23	-	91.23
2	Building	86.99	0.04	-	87.04	4.10	82.94
3	Plant & Machinery	62.07	2.28	-	64.35	6.01	58.34
4	Office Equipments	5.40	0.50	-	5.90	0.69	5.21
5	Furniture & fixtures	1.39	0.71	-	2.00	0.18	1.82
6	Computers & Printers	0.51	0.50	-	1.01	0.21	0.80
7	Vehicles	5.62	-	-	5.62	0.77	4.85
	Grand Total	253.21	4.05	-	257.15	11.96	245.19

₹In Millions

Notes	Particulars	As at					
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
2	Non-current Investments						
	Investment in equity Shares (give details separately for fully / partly paid up instruments)-Unquoted						
	Sarveshwar Overseas Ltd.	-	-	-	-	-	-



Notes	Particulars	As at					
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Sarveshwar Organic Foods Inc. (USA)	-	-	-	0.62	0.59	0.94
	Investment in partnership firms-Unquoted						
	Sarveshwar Overseas Mills	-	-	-	-	-	-
	Total	-	-	-	0.62	0.60	0.94
3	Other Non-current Assets						
	Advance to Creditors	-	82.00	-	-	-	-
	Total	-	82.00	-	-	-	-
4	Inventories						
	(As taken, verified, valued and certified by the Management)						
	Raw Material	577.39	713.47	770.00	213.14	209.05	-
	Finished Goods	1,757.63	1,523.64	820.65	2,097.03	1,405.66	1,169.52
	Total	2,335.02	2,237.11	1,590.65	2,310.17	1,614.70	1,169.52
5	Trade Receivables						
	Receivable other than from promoters/promoters group/directors/related parties						
	Less than Six Months						
	- Secured Considered Good		-	-	-	-	-
	- Unsecured Considered Good	1,162.68	325.48	787.38	211.56	244.83	103.95
	- Considered Doubtful		-	-	-	-	-
	More than Six Months						
	- Secured Considered Good		-	-	-	-	-
	- Unsecured Considered Good	330.96	313.28	11.94	4.14	3.18	0.07
	- Considered Doubtful		-	-	-	-	-
	Less: Provision for doubtful trade receivables		-	-	-	-	-
	Others	-	20.81	54.46	3.20	(5.53)	1.29
	Total	1,493.64	659.57	853.78	218.90	242.49	105.31
6	Cash and Cash Equivalents						
	Cash on hand	1.38	0.85	14.06	10.35	2.15	4.77
	Balances with banks						
	in Current accounts	4.47	1.53	0.92	3.79	3.69	0.68
	in Fixed Deposit (Margin Money against LC/BG)						
	Total	5.85	2.39	14.97	14.14	5.84	5.45
7	Other Current Assets						
	Interest Accrued but not due/Receivable	0.60	0.64	1.17	0.93	0.68	0.59
	Loans & Advances	25.26	0.43	1.70	13.59	8.98	1.07
	Security Deposits	11.62	11.58	10.32	10.28	8.46	6.70
	Prepaid Fees & Taxes	10.03	0.92	1.12	0.56	0.34	0.26
	Total	47.51	13.82	14.31	25.36	18.46	8.62
8	Long-term Borrowings						
	Secured Borrowings						
	Term Loans						
	From Banks	47.23	68.73	115.35	157.12	141.98	172.32
	Loans and Advances from related parties:						
	From Directors / Promoters	9.14	8.83	233.33	-	60.00	77.12
	Less: Current Maturities of Long	(43.02)	(43.02)	(46.61)	-	-	-



Notes	Particulars	As at	As at				
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Term Debt						
	Total	13.34	34.54	302.06	157.12	201.99	249.44
9	Other Long Term Liabilities						
	Car Loans	2.05	2.42	0.47	0.73	-	-
	Advances (Sundry Creditors Exceeding one year)	-	19.96	3.58	10.87	-	-
	Installments due next year	(0.96)	(0.96)	(0.25)	(0.33)	-	-
	Rohit Gupta	-	-	-	244.34	97.24	123.50
	Total	1.10	21.42	9.45	255.61	97.24	123.50
10	Trade Payables						
	Due to Others	1,174.54	627.04	325.58	452.76	115.50	126.60
11	Short-Term Borrowings						
	A. Secured Borrowings						
	From banks						
	Working Capital/ CC Limits	1,931.84	1,622.27	1,391.43	1,328.91	1,136.25	598.13
	Warehousing Limits	109.72	131.46	293.19	352.26	351.61	297.86
	Other Limits	-	-	-	0.33	0.48	0.63
	Total	2,041.55	1,753.73	1,684.61	1,681.50	1,488.35	896.61
12	Other Current Liabilities						
	Current Maturities of Long-term Debt	43.02	43.02	46.61	-	-	-
	Other Payables:						
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	2.61	3.06	1.63	1.95	0.60	0.59
	(ii) Trade / security deposits received	-	-	-	0.13	-	0.18
	Others:						
	Other Current Liabilities	13.43	21.05	4.40	4.62	3.06	2.48
	Sundry Creditors Others	-	25.44	15.70	13.07	4.52	0.92
	Total	59.07	93.52	68.34	19.64	8.18	3.99
13	Short-term Provisions						
	Provision for tax (net of advance tax)	60.19	18.48	4.17	-	2.72	3.98
	Total	60.19	18.48	4.17	-	2.72	3.98
14	Share Capital						
	Authorized						
	3,00,00,000 Equity Shares of Rs.10 each	300.00	300.00	100.00	100.00	100.00	100.00
	2,20,000 5% Preference Shares of Rs. 1000 each	220.00	220.00	-	-	-	-
	Issued, Subscribed & Paid Up						
	1,81,00,000 Equity Shares of Rs.10/- each fully paid up	181.00	181.00	-	-	-	-
	90,50,000 Equity Shares of Rs.10/- each fully paid up	-	-	90.50	90.50	90.50	90.50
	2,20,000 5% Preference Shares of Rs. 1000 each	220.00	220.00	-	-	-	-
15	Reserves & Surplus						
	Surplus/ (Deficit) in the						

Notes	Particulars	As at					
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Statement of Profit & Loss:						
	Opening Balance	300.45	262.30	207.53	129.65	57.56	2.61
	Add: Profit for the year	77.46	128.65	54.77	77.89	72.09	54.95
	Less: Issue of Bonus Shares	-	90.50	-	-	-	-
	Closing Balance	377.91	300.45	262.30	207.53	129.65	57.56
16	Revenue from Operations						
	Sale of Products:						
	Manufacturing	1,471.95	2,413.23	3,132.49	2,415.08	2,093.65	984.14
	Trading	1,099.10	1,765.22	411.70	178.01	282.60	37.93
	Total	2,571.05	4,178.45	3,544.19	2,593.09	2,376.25	1,022.07
	Less: Excise Duty	-	-	-	-	-	-
	Revenue from Operations (Net)	2,571.05	4,178.45	3,544.19	2,593.09	2,376.25	1,022.07
	Total	2571.05	4,178.45	3,544.19	2,593.09	2,376.25	1,022.07
17	Other Income						
	Currency Exchange Difference	1.51	2.81	1.30	0.05	18.94	0.62
	Discount Received	1.27	-	0.01	0.99	1.23	0.72
	Interest on FDR	0.22	0.55	0.70	0.65	0.64	0.57
	Interest Subsidy	17.61	-	-	11.73	5.17	-
	Capital Subsidy	-	-	1.14	-	-	4.14
	Income from agricultural Jammu	-	0.98	0.16	2.17	1.10	-
	Miscellaneous income	2.24	16.11	4.45	16.33	10.40	2.52
	Total	22.84	20.44	7.75	31.93	37.48	8.58
18	Cost of Raw Material Consumed/Traded						
	Inventories at the beginning of the year	713.47	770.00	600.68	618.93	526.78	369.75
	Add: Purchases	2,332.39	4,164.10	2,159.17	2,428.28	2,382.38	1,416.94
	Add: Direct Expense	20.97	60.09	36.82	35.55	17.17	10.00
	Less: Inventories at the end of the year	579.93	713.47	770.00	600.68	618.93	526.78
	Total	2,486.90	4,280.72	2,026.67	2,482.08	2,307.41	1,269.91
19	Changes in Inventories of Finished Goods & WIP						
	Inventories at the end of the year						
	Finished Goods	1,755.09	1,523.64	820.65	1,709.49	995.77	642.74
	Inventories at the beginning of the year						
	Finished Goods	1,523.64	820.65	1,720.04	1,227.22	642.74	174.83
	Total	(231.45)	(702.99)	899.39	(482.28)	(353.03)	(467.90)
20	Employee Benefit Expenses						
	Salaries & Wages	38.47	70.71	85.77	52.65	25.11	14.10
	Staff Welfare	0.68	1.82	1.38	1.50	1.22	1.09
	Bonus	0.37	0.67	0.82	0.61	0.44	0.20
	Directors Salary	1.50	3.00	1.20	-	-	-
	Keyman Insurance	-	-	-	1.05	1.18	-
	Contribution to PF	0.05	0.01	0.21	0.13	0.31	0.21
	Other Employee Benefits	0.58	1.29	1.55	4.24	11.52	1.09
	Total	41.64	77.50	90.93	60.18	39.78	16.69
21	Finance Costs						
	Bank Charges	0.21	2.82	2.28	0.97	3.03	1.27
	Bank Interest	95.27	183.22	180.40	167.99	135.18	69.30
	Other Interest	5.77	28.23	25.70	217.03	64.37	2.45



Notes	Particulars	As at	As at				
		30.09.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	Total	101.26	188.51	204.39	175.40	138.85	70.71
22	Other Expenses						
	Advertisemnet	0.30	0.68	0.82	0.76	1.20	0.21
	Audit Fee	0.37	1.32	0.65	0.13	0.47	0.05
	Bad Debts	-	-	0.26	0.13	-	-
	Brokerage And Commission	1.92	4.12	5.51	10.68	5.62	5.88
	Business Promotion	2.44	5.37	6.31	2.45	2.66	0.50
	Clearing & Handling Charges	15.06	11.85	23.26	16.05	13.19	8.09
	Csr Expenses	-	3.05	1.80	1.60	2.40	-
	Donation	-	0.23	0.01	0.07	0.04	-
	Electricity Charges	5.12	10.56	17.03	18.12	14.24	6.04
	Insurance	2.49	3.55	4.27	7.28	5.07	1.74
	Job Work	4.07	10.27	3.43	6.57	3.39	0.24
	Legal & Professional Charges	1.71	5.10	4.19	5.91	4.78	0.48
	Loss On Sale Of Car	-	-	0.09	-	-	-
	Maintenance	0.95	3.47	11.91	14.18	7.31	3.35
	Miscellaneous	12.68	34.32	74.76	75.77	31.45	8.07
	Rent	5.35	14.64	9.15	9.98	7.14	2.62
	Selling & Distribution Expenses	8.19	40.13	53.87	78.99	51.71	14.60
	Stationery & Printing	0.92	0.86	1.13	1.46	0.82	0.26
	Telephone And Communication Expenses	0.41	0.17	1.19	1.38	1.11	0.34
	Travelling & Conveyance	1.82	2.16	4.44	4.79	2.17	1.05
	Total	62.84	151.84	224.10	255.97	154.78	53.61

Annexure V - Summary of Accounting Ratios

₹ & No. in Millions, except per share data

Particulars	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Net Profit after tax as restated	79.18	129.52	55.31	79.90	72.92	54.94
Number of equity shares outstanding at end of the year	18.10	18.10	9.05	9.05	9.05	9.05
Weighted Average number of equity shares Outstanding during the year / period considered for Basic EPS	18.10	18.10	9.05	9.05	9.05	9.05
Weighted Average number of equity shares Outstanding during the year / period considered for Diluted EPS	18.10	18.10	9.05	9.05	9.05	9.05
Net Worth	778.91	701.45	352.80	298.03	220.15	148.06
Earnings Per Share (EPS)						
Basic EPS (Rs.)	8.75	7.16	6.11	8.83	8.06	6.07
Diluted EPS (Rs.)	8.75	7.16	6.11	8.83	8.06	6.07
Adjusted EPS(Rs.)	8.75	7.16	3.06	4.41	4.03	3.04
Return on Net Worth (%)	20.33*	18.46	15.68	26.81	33.12	37.11
Net Asset Value per Equity Share (Rs.)	43.03	38.75	38.98	32.93	24.33	16.36
Adjusted Net Asset Value per Equity Share (Rs.)	43.03	38.75	19.49	16.47	12.16	8.18

*Annualised



2. Formula :

$$\text{Earnings per Share (RS.)} = \frac{\text{Net Profit after Tax as restated}}{\text{Weighted Average number of equity shares outstanding during the period}}$$

$$\text{Net Asset Value Per Share (RS.)} = \frac{\text{Net Worth as restated}}{\text{Number of equity shares outstanding at the end of the year/period}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit after tax as restated}}{\text{Net worth as restated}}$$

3. Earnings per share (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

Annexure VI – Statement of Capitalization

₹In millions

Particulars	Pre-Issue as at 30-September-17	As adjusted for Issue*
Debts		
Long Term Borrowings	13.34	
Short Term Borrowings	2,041.55	
Total Debt	2,054.90	
Equity (shareholder's funds)		
Equity Share Capital	181.00	
Preference Share Capital	220.00	
Reserves & Surplus	377.91	
Total Equity	778.91	
Debt / Equity Ratio	2.64	

*shall be updated at the time of filing of prospectus with ROC

Annexure VII – Statement of Contingent Liabilities

₹in millions

Particulars	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Disputed Tax liability		-	-	-	-	-
Corporate guarantee by Company against loans taken by relative of promoter			-	-	-	-
Bank guarantee	0.73	0.73	-	-	-	-
Total	0.73	0.73	-	-	--	-

Annexure VIII – Statement of Tax Shelter

₹in millions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Profit before Tax but after extraordinary and exceptional items as restated (a)	176.24	62.38	91.99	87.67	59.21
Tax Rate					
Tax at Notional Rate on Profit					
Adjustments :					
Permanent Differences					
Income From Partnership Business	-	-	38.93	32.20	40.11
Interest on TDS	-	0.004	0.01	-	0.003



Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Deduction/s 80IB	40.02	19.31	14.82	12.53	4.80
Employees Contribution to ESI		-	-	0.01	-
Expenses on CSR	3.05	1.80	1.60	2.40	-
Donation	0.23	0.01	0.02	0.04	-
Profit on Sale of Fixed Assets		(0.02)	0.01	-	0.13
Total of Permanent Difference (b)	36.74	17.47	52.12	42.28	45.04
Timing Differences:					
Depreciation as per Companies Tax	27.06	9.02	11.34	11.29	0.25
Depreciation as per Income Tax	24.74	8.42	9.26	9.68	0.13
Total of Timing Difference (c)	(2.32)	(0.59)	(2.07)	(1.60)	(0.11)
Net Adjustments (d) = (b + c)	34.42	16.87	50.04	40.68	44.92
Tax Saving		-	-	-	-
Profit/(loss) as per Income Tax returns (e)= (a-d)	141.82	45.51	41.95	46.99	14.28
Brought forward losses adjusted (f)		-	-	-	-
Taxable Income/(loss) (E+F)	141.82	45.51	41.95	46.99	14.28
Taxable Income/(loss) as per MAT	177.02	60.90	53.04	59.47	19.08
Tax as per Income tax as returned	47.61	15.04	13.61	15.24	4.63
Interest u/s 234	2.93	-	-	-	-
Total Tax as per return	50.54	15.05	13.61	15.25	4.63
Carry forward business loss		-	-	-	-
Carry forward depreciation loss		-	-	-	-
Total carry forward loss as per return of the year		-	-	-	-

Annexure IX – Earnings per Share

₹ & No. in millions, except per share data

Particulars	As at 30.09.17	As at 31.03.17	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Weighted average number of Equity Shares of ₹10 each *	18.10	18.10	9.05	9.05	9.05	9.05
Number of shares at the end of the year	18.10	18.10	9.05	9.05	9.05	9.05
Weighted average number of Equity Shares outstanding during the year	18.10	18.10	9.05	9.05	9.05	9.05
Weighted average number of Potential Equity Shares outstanding during the year	18.10	18.10	9.05	9.05	9.05	9.05
Total number of Equity share for calculating Diluted Earnings Per Share	18.10	18.10	9.05	9.05	9.05	9.05
Net Profit after Tax available for Equity shareholders	79.18	129.52	55.31	79.90	72.92	54.94
Basic Earnings Per Share (in ₹)	8.75	7.16	6.11	8.83	8.06	6.07
Diluted Earnings Per Share (in ₹)	8.75	7.16	6.11	8.83	8.06	6.07
Adjusted EPS(Rs.)	8.75	7.16	3.06	4.41	4.03	3.04

Annexure X – Related Party Transactions

A. List of related parties & their relationship

Name of Related Party	Relationship
Rohit Gupta	Key Managerial Personnel
Sarveshwar Overseas Mills	Associate Concerns
Sarveshwar Logistics	Associate Concerns



Radhika Overseas	Associate Concerns
Sarveshwar International	Associate Concerns
Himalayan Bio Organic Foods Pvt Ltd	Subsidiary Company
Himalayan Ancient Foods Pvt Ltd	Associate Concerns
Radhika Pest Control	Associate Concerns
Sarveshwar Overseas Ltd	Subsidiary Company
SurajPrakash Gupta	Relative of Promoters/ Directors/ KMP's
Radha Rani	Relative of Promoters/ Directors/ KMP's
Pooja Gupta	Relative of Promoters/ Directors/ KMP's
Shree Jee Trading	Enterprises owned and controlled Key Managerial Personnel and their Relatives

B. Statement of Significant Related Party Transactions As per AS-18

₹ In millions

Particulars	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
a) Rent Paid						
Rohit Gupta	2.40	7.20	3.31	2.22	1.94	-
SurajPrakash Gupta	0.99	1.20	0.29	0.28	0.30	-
Radha Rani Gupta	0.95	3.00	1.16	1.11	0.97	-
Pooja Gupta	0.30	1.20	0.28	0.28	0.30	-
b) Sales Transactions						
Sarveshwar Overseas Mills		-	-	45.33	26.17	15.78
Radhika Overseas		5.75	1.34	5.40	16.98	-
Sarveshwar International	11.20	-	25.04	-	-	-
Sarveshwar USA		-	3.83	3.67	3.65	-
Sarveshwar Overseas Limited		-	7.94	-	-	-
Shree Jee Trading			-	1.75	2.12	-
Himalayan Bio Organic Pvt Ltd.	83.70	-	-	-	-	-
c) Purchase Transactions						
Sarveshwar Overseas Mills	-	-	-	24.43	2.83	0.60
Sarveshwar Overseas Limited	-	-	45.09	-	-	-
Himalayan Bio Organic Pvt Ltd.	66.03	-	-	-	-	-
d) Salary Paid						
Rohit Gupta	2.40	3.60	-	-	-	-
e) Freight						
Sarveshwar Logistics	4.05	5.05	5.37	2.85	0.90	-

C. Company has following amount due from/to related parties

₹ In millions

Outstanding Balances	As at 30.09.2017	As at 31.03.2017	As at 31.03.2016	As at 31.03.201 5	As at 31.03.201 4	As at 31.03.201 3
Rent Outstanding to directors	2.64	2.68	-	-	-	0.20
Rent Deposit Given to Relative of Director	1.65	1.58	(0.07)	-	-	0.08
Due to Directors	1.85	8.83	233.33	-	60.00	77.12
Managerial Remuneration Payable to Director	-	1.13	0.15	-	(0.07)	(0.04)
Salary Payable to Relative of Director	-	-	-	-	-	-



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated consolidated financial statements for the financial period ended September 30, 2017, the financial years ended March 2017, March 2016 and March 2015, respectively, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "Financial Statements" beginning on page 142 of this Red Herring Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI (ICDR) Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" beginning on pages 16 and 14, respectively, of this Red Herring Prospectus.

Our Company was incorporated on August 3, 2004 and is promoted by the third generation of entrepreneurs having an experience of over two decades in the Rice Industry. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial period ended September 30, 2017 and for the financial years ended March 2017, 2016 and 2015.

Overview

We are primarily engaged in the business of processing and marketing of branded and un-branded basmati and non-basmati rice in the domestic and international markets including organic rice. Our operations are based out of the Jammu Region in the State of Jammu and Kashmir.

We believe we are one of the few Indian companies with a presence across the entire rice value chain, which includes procurement, storage, milling, sorting, packaging, branding and distribution. Our product portfolio comprises of Basmati and non-Basmati rice of various kinds including white raw rice, steam rice, broken rice, brown rice and parboiled rice. Along with the varied variety of conventional Basmati and non-Basmati rice, our product portfolio also includes organic Basmati and non-Basmati rice including range of other organic products.

Basmati rice is a premium variety of rice renowned for its flavour, fine texture, distinct aroma, elongation when cooked, which is grown in certain parts of India and Pakistan. Its high value is attributed to the rich soil and climate of the region giving it unique qualities such as strong aroma in both raw and cooked forms.

Besides conventional Basmati and non-Basmati rice, our Company has also forayed into procurement, storage, milling, sorting, packaging, branding and distribution of "Organic" Basmati and non-Basmati rice. Our "Organic" business also includes organic food products such as dry fruits and nuts, pulses, lentil, flours, porridge, spices, garam masalas and super foods like chia seeds, flax seeds, quinoa seeds, etc. Our Company markets and distributes these organic food products under its brand "Nimbark". Our Company has recently in May, 2017 launched its flagship retail store in the name of "Nimbark - Living the Satvik Way" for organic products at Channi Himmat, Jammu. Our Company is selling organic products through this store viz. rice, red rice, brown rice, flours, pulses, nuts & dry fruits, spices & condiments, jaggery & sugar, breakfast cereals, edible oils, saffron, flaxseed, sesame seed.

We currently operate through two (2) rice milling and processing facilities i.e. at Seora (*Unit I*) and SIDCO (*Unit II*). Unit II at SIDCO comprises of two (2) plants i.e. (i) milling and processing of Basmati and Non-Basmati paddy to finished rice; and (ii) cleaning, polishing, grading and sorting facility for processing of Basmati rice from raw paddy. These processing units are registered with the U.S. Foods and Drug Administration, United States ("*USFDA*") and our Unit I at Seora complies with the requirements of ISO 22000: 2005 for food safety management systems. Both our processing facilities have received the British Retail Consortium ("*BRC*") certification for food safety. In addition, our processing facilities are also Hazard Analysis and Critical Control Point ("*HACCP*") accredited by the British Standards Institution.



Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 16 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of materials and labour
- Brand image
- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Economic and Demographic conditions

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the restated consolidated financial statements for the financial period ended September 30, 2017 and the financial years ended March 2017, March 2016 and March 2015.

Overview of Revenue & Expenditure

Amount (₹ In Millions)

Particulars	September 30 2017	For the Year Ended March 31,		
		2017	2016	2015
INCOME				
Revenue from Operations	2,571.05	4,178.45	3,544.19	2,593.09
As a % of Total Revenue	99.12%	99.51%	99.78%	98.78%
Other Income	22.84	20.44	7.75	31.93
As a % of Total Revenue	0.88%	0.49%	0.22%	1.22%
Total Revenue (A)	2,593.89	4,198.89	3,551.94	2,625.02
Growth %	-	18.21%	35.31%	8.75%
EXPENDITURE				
Cost of Material Consumed	1,428.82	2,491.07	1,616.51	2,187.97
As a % of Total Revenue	55.08%	59.33%	45.51%	83.35%
Purchases of stock-in-trade	1,058.08	1,789.66	410.16	294.11
As a % of Total Revenue	40.79%	42.62%	11.55%	11.20%
Changes in Inventories of finished goods, WIP and stock in Trade	(231.45)	(702.99)	899.39	(482.28)
As a % of Total Revenue	(8.92)%	(16.74)%	(25.32)%	(18.37)%
Employee benefit Expenses	41.64	77.50	90.93	60.18
As a % of Total Revenue	1.61%	1.85%	2.56%	2.29%
Finance costs	101.26	188.51	204.39	175.40
As a % of Total Revenue	3.90%	4.49%	5.75%	6.68%
Depreciation & Amortization expense	11.96	27.06	32.47	32.92
As a % of Total Revenue	0.46%	0.64%	0.91%	1.25%
Other Expenses	62.84	151.84	228.59	256.19
As a % of Total Revenue	2.42%	3.62%	6.44%	9.76%
Total Expenses (B)	2,473.15	4,022.65	3,482.43	2,524.49
As a % of Total Revenue	95.34%	95.80%	98.04%	96.17%
Profit before exceptional extraordinary items and tax	120.74	176.24	69.51	100.53
As a % of Total Revenue	4.65%	4.20%	1.96%	3.83%



Particulars	September 30 2017	For the Year Ended March 31,		
		2017	2016	2015
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	120.74	176.24	69.51	100.53
As a % of Total Revenue	4.65%	4.20%	1.96%	3.83%
Extraordinary items	-	-	-	-
Profit before tax	120.74	176.24	69.51	100.53
PBT Margin	4.65%	4.20%	1.96%	3.83%
Tax expense :				
(i) Current tax	41.71	48.93	16.72	21.52
(ii) Deferred tax	(0.26)	(0.78)	(1.52)	(0.72)
(iii) Income Tax for previous years	-	-	-	-
Total Tax Expense	41.45	48.15	15.20	20.80
Profit for the year/ period	79.29	128.09	54.31	79.73
PAT Margin %	3.06%	3.05%	1.53%	3.04%

Income from operations:

Our principal component of income is from processing, marketing and sale of branded and un-branded basmati and non-basmati rice in the domestic and international markets. We primarily procure basmati and non-basmati paddy from J&K, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh and Delhi and other procurement centers across India and organized government monitored agricultural produce markets ("mandis"), except from J&K where we procure basmati and non-basmati paddy directly from farmers

Other Income:

Our other income mainly includes income items such as interest earned on bank deposits, net gain on currency exchange fluctuations on payables or receivables, income from agricultural development works, discount, from sale of by-products like husk, steam, bugdu, rice bran, interest subsidy, etc.

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials consumed and changes in inventories of finished goods, WIP and stock-in-trade, finance cost, employee benefit expenses, depreciation and other expenses.

Direct Expenditure

Our direct expenditure includes cost of materials consumed and changes in inventories of finished goods, WIP and stock-in-trade. The cost of materials comprises of costs of purchase of raw material such as basmati and non-basmati paddy, rice and freight inward.

Employee benefits expense

Our employee benefits expense primarily comprises of director's remuneration, salaries and wages expenses, incentives to staff, contributions towards gratuity, provident fund and state insurance, other employee benefits expense such as staff pension and welfare expenses, bonus, medical expenses, amongst others.

Finance Costs

Our finance costs include interest on loans, bank charges and commission, etc.

Depreciation

Depreciation includes depreciation on tangible assets like land, building, plant and machinery, vehicles, etc.

Other Expenses

Other expenses include manufacturing, business development, administrative, selling & distribution expenses such as electricity charges, legal and professional charges, transportation costs, repairs and maintenance costs, security charges, etc.



REVIEW OF SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2017

INCOME

Income from Operations

Our income from operations was ₹2,571.05 million which is about 99.12% of our total revenue for the period of six months ended on September 30, 2017, which includes sales of branded and non-branded basmati and non-basmati rice.

Other Income

Our other income was ₹22.84 million which includes interest, miscellaneous income and currency exchange fluctuations, amongst others.

EXPENDITURE

Direct Expenditure

Our direct expenditure was ₹ 2,255.45 million which is 91.20% of our total revenue for the period of six months ended September 30, 2017. The direct material expenditure includes cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade.

Employee Benefits Expenses

Our employee benefits expenses were ₹ 41.64 million which was 1.61% of our total revenue for the period of six months ended September 30, 2017 and comprised of director's remuneration, salaries and wages expenses, incentives to staff, contributions towards gratuity, provident fund and state insurance, other employee benefits expenses, etc.

Finance Cost

Our finance cost was ₹ 101.26 million which is 3.90% of our total revenue for the period of six months ended September 30, 2017.

Depreciation

Depreciation expenses were ₹ 11.96 million which is 0.46% of our total revenue for the period of six months ended September 30, 2017.

Other Expenses

Our other expenses were ₹ 62.84 million which is 2.42% of our total revenue for the period of six months ended September 30, 2017.

Net Profit

Our Net Profit After Tax was ₹ 79.29 million which is 3.06% of our total revenue for the period of six months ended September 30, 2017. The net profit is higher due to improvement in the overall rice markets and price improvement across all products of the Company. The other major contribution came from control on other expenses which has improved the margins for the Company.



COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

INCOME

Income from Operations

(₹ In millions)

Particulars	2016-2017	2015-2016	Variance in %
Operating Income	4,178.45	3,544.19	17.90%

The operating income of the Company for the year ending March 31, 2017 is ₹ 4,178.45 million as compared to ₹ 3,544.19 million for the year ending March 31, 2016, showing an increase of 17.90%. The overall increase was due to increase in business operations mainly in the domestic market which includes an increase of 45.05% in the J & K Region and 17.64% in the rest of India.

Other Income

Our other income increased by 163.74% from ₹ 7.75 million for year ending March 31, 2016 to ₹ 20.44 million in year ending March 31, 2017. This was due to accounting of unclaimed liability, income from agricultural works, increase in currency exchange fluctuations and miscellaneous income.

EXPENDITURE

Direct Expenditure

(₹ In millions)

Particulars	2016-2017	2015-2016	Variance in %
Cost of materials consumed	2,491.07	1,616.51	54.10%
Purchase of Stock in Trade	1,789.66	410.16	336.33%
Changes in Inventories of finished goods, WIP and stock in Trade	(702.99)	899.39	(178.16)%
Total	3,577.74	2,926.06	22.27%

Our direct expenditure has increased from ₹2,926.06 million in Financial Year 2015-16 to ₹3,577.74 million in Financial Year 2016-17 showing an increase of 22.27% over the previous year.

Administrative and Employee Costs

(₹ In millions)

Particulars	2016-2017	2015-2016	Variance in %
Employee Benefit Expenses	77.50	90.93	(14.77)%
Other Expenses	151.84	228.59	(33.58)%

There is a decrease in employee benefit expenses from ₹ 90.93 million in financial year 2015-16 to ₹ 77.50 million in financial year 2016-17 which is due to reduction in number of employees thus affecting a decrease in salary costs and payment of employee contributions and incentives.

Our other expenses decreased by 33.58% from ₹ 228.59 million in financial year 2015-16 to ₹ 151.84 million in financial year 2016-17. The decrease could be attributed to cost reduction in administrative expenses and other maintenance costs.

Finance Charges

Our finance charges have decreased from ₹ 204.39 million in financial year 2015-16 to ₹ 188.51 million in financial year 2016-17. This shows a decrease of 7.77% compared to last financial year due to repayment of certain credit facilities/loans and reduction in interest rates by banks, which in-turn decreased the interest expenses on the same.

Depreciation

Depreciation expenses for the Financial Year 2016-17 have decreased to ₹ 27.06 million as compared to ₹ 32.47 million for the Financial Year 2015-16, showing a decrease of 16.66%. The decrease in depreciation was majorly due to reduction in the written down value of the fixed assets and no major new fixed assets were added during the year.

Profit After Tax

(₹ In millions)

Particulars	2016-2017	2015-2016	Variance in %
Profit after Tax	128.09	54.31	135.85%

Our profit after tax increased by 135.85% from ₹ 54.31 million in financial year 2015-16 to ₹ 128.09 million in financial year 2016-17 due to overall increase in business operations of the Company such as an increase of 1.5% in Gross Profit Margin, decrease in Selling, General and Admin Overheads and an increase in non- operating Income.



COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

INCOME

Income from Operations

(₹ In millions)

Particulars	2015-2016	2014-2015	Variance in %
Operating Income	3,544.19	2,593.09	36.68%

The operating income of the Company for the financial year 2015-2016 is ₹ 3,544.19 million as compared to ₹ 2,593.09 million for the financial year 2014-2015, showing an increase of 36.68%. The overall increase was due to increase in business operations mainly in the domestic market which includes an increase of 36.06% in the J & K Region and 150.10% in the rest of India.

Other Income

Our other income decreased by 75.73% from ₹ 31.93 million for the financial year 2014-2015 to ₹ 7.75 million for the financial year 2015-2016. This was due to reduction in discounts received, income from agricultural works, reduction in interest subsidy and decrease in miscellaneous income.

EXPENDITURE

Direct Expenditure

(₹ In millions)

Particulars	2015-2016	2014-2015	Variance in %
Cost of materials consumed	1,616.51	2,187.97	(26.12)%
Purchase of Stock in Trade	410.16	294.11	39.46%
Changes in Inventories of finished goods, WIP and stock in Trade	899.39	(482.28)	(286.49)%
Total	2,926.06	1,999.80	46.32%

Our direct expenditure has increased from ₹ 1,999.80 million in Financial Year 2015-16 to ₹ 2,926.06 million in Financial Year 2016-17 showing an increase of 46.32% over the previous year. The direct expenditure as a percentage of sales has increased from 77.12% in the year 2014-15 to 82.56% in the year 2015-16, therefore increasing the direct expenditure as a percentage of sales is 5.44%, which is due to lower realisation of per metric tonne sales.

Administrative and Employee Costs

(₹ In millions)

Particulars	2015-2016	2014-2015	Variance in %
Employee Benefit Expenses	90.93	60.18	51.10%
Other Expenses	228.59	256.19	(10.77)%

There is a steady increase in employee benefit expenses from ₹ 60.18 million in financial year 2014-15 to ₹ 90.93 million in financial year 2015-16 which is due to increase in salary costs. The other major contribution came from due to appointment of some senior employees and annual increment paid to retain existing employees.

Our other expenses decreased by 10.77% from ₹ 256.19 million in financial year 2014-15 to ₹ 228.59 million in financial year 2015-16. The decrease could be attributed to cost reduction exercise adopted across all heads and reduction in administrative & selling expenses and loss on sale of asset.

Finance Charges

Our finance charges have increased from ₹ 175.40 million in financial year 2014-15 to ₹ 204.39 million in financial year 2015-16. This shows an increase of 5.75% compared to last financial year as the overall turnover of the Company has increased and the Company has availed higher facilities to support working capital requirements, therefore the overall finance cost has increased during the current year.

Profit After Tax

(₹ In millions)

Particulars	2015-2016	2014-2015	Variance in %
Profit after Tax	54.31	79.73	(31.88)%

Our profit after tax decreased by 31.88% from ₹ 79.73 million in financial year 2014-15 to ₹ 54.31 million in financial year 2015-16. The decrease in profits was due to slowdown in Domestic as well International Economies. The price of Rice fell to an all-time low of the last 15-20 years in the Financial Year 2015-16. This fall in prices caused a reduction in the gross margin and therefore the net margins of the Company.



COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

INCOME

Income from Operations

(₹ In millions)

Particulars	2014-2015	2013-2014	Variance in %
Operating Income	2,593.09	2,376.25	9.13%

The operating income of the Company for the year ending March 31, 2015 is ₹ 2,593.09 million as compared to ₹ 2,376.25 million for the year ending March 31, 2014, showing an increase of 9.13%. Such increase was mainly due to increase in our business operations.

Other Income

Our other income decreased by 14.81% from ₹ 37.48 million in financial year 2013-14 to ₹ 31.93 million in financial year 2014-15. This was due to decrease in currency exchange fluctuations and discount received.

EXPENDITURE

Direct Expenditure

(₹ In millions)

Particulars	2014-2015	2013-2014	Variance in %
Cost of materials consumed	2,187.97	2,096.49	4.36%
Purchase of Stock in Trade	294.11	210.92	39.44%
Changes in Inventories of finished goods, WIP and stock in trade	(482.28)	(353.03)	36.61%
Total	1,999.80	1,954.38	2.32%

Our direct expenditure has increased from ₹ 1,954.38 million in Financial Year 2013-2014 to ₹ 1,999.80 million in Financial Year 2014-2015 showing a minor increase of 2.32% over the previous year. The direct expenditure as a percentage of sales was 82.25% in the year 2013-14 which has decreased to 77.12% in the year 2014-15, therefore increasing the gross margin by 5.13%.

Administrative and Employee Costs

(₹ In millions)

Particulars	2014-2015	2013-2014	Variance in %
Employee Benefit Expenses	60.18	39.78	51.28%
Other Expenses	256.19	154.78	65.52%

There is a steady increase of 51.28% in employee benefit expenses from ₹ 39.78 million in financial year 2013-14 to ₹ 60.18 million in financial year 2014-15 which is due to increase in directors remuneration and salary costs and other employees benefits.

Our other expenses increased by 65.52% from ₹ 154.78 million in financial year 2013-14 to ₹ 256.19 million in financial year 2014-15. This increase could be attributed to increase in administrative expenses and selling costs.

Finance Charges

Our finance charges have increased from ₹ 138.85 million in financial year 2013-14 to ₹ 175.40 million in financial year 2014-15. This shows an increase of 26.32% compared to last financial year due to higher working capital limits availed by the Company to meet working capital requirements.

Profit After Tax

(₹ In millions)

Particulars	2014-2015	2013-2014	Variance in %
Profit after Tax	79.73	74.03	7.70%

Our profit after tax increased by 7.70% from ₹ 74.03 million in financial year 2013-14 to ₹ 79.73 million in financial year 2014-15 due to the above mentioned reasons. The increase was due to increase in overall sales of the Company which contributed towards increased profit for the Company.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled "Risk Factors" beginning on page 16 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the "Risk Factors" beginning on page 16 of this Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by demand/supply situation, government policies, global market situation and prices of raw material.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in the Rice Processing Industry. Relevant industry data, as available, has been included under section titled "Industry Overview" beginning on page 79 of this Red Herring Prospectus.

7. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Red Herring Prospectus.

8. The extent to which the business is seasonal

Our Company's business is seasonal in nature. On the procurement side of our business, we procure approximately 70% of the raw material (paddy) requirement during the peak season which is the period of November to February and the remaining requirement is procured throughout the rest of the year depending on the availability in the market. On the Sales side of our business, 40% of our business is carried out in the first half of the year and rest is carried out during the rest of the financial year.

9. Any significant dependence on a single or few suppliers or customers

Our Company is not dependent on a single or few suppliers or customers.

10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" beginning on page 96 of this Draft Prospectus.

Changes in Accounting Policies in last three (3) years

There has been no other change in accounting policies in the last three years except for method of computing depreciation from WDV to SLM. However, the effect of the above change has been given in the restated financial statements from the earliest period reported. For further details, please refer to section titled "Financial Statements" beginning on page 142 of this Red Herring Prospectus.



FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avail loans in the ordinary course of business for the purposes of working capital requirements. For the Issue, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

Pursuant to a special resolution of our Shareholders passed at the extraordinary general meeting held on July 13, 2017, our Board has been authorized to borrow, from time to time, such sums of money as our Board may deem fit for the purpose of the business of our Company, whether secured or unsecured, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), would exceed the aggregate of the paid-up capital and free reserves of our Company provided that the total amount which may be borrowed by our Board, and outstanding at any time, shall not exceed ₹2,000 million for the time being, including the money already borrowed by our Company.

As on the date of filing of this Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Category of borrowing	Sanctioned amount (Fund and Non-fund based) (₹ in millions)	Outstanding amount as on September 30, 2017 (₹ in millions)
Our Company		
Fund Based	1,000.00	834.09
Any other loan (vehicle loans):	3.06	2.05
Our Subsidiary – Sarveshwar Overseas		
Fund Based	1,558.00	1,254.69
Unsecured loan	245.31	8.83
Our Subsidiary – HBOFPL		
Unsecured loan	0.31	0.31

Principal terms of the borrowings availed by us:

Some of the principal terms of the borrowings availed by us are set out below:

- **Interest:** The interest rate for our facilities is MCLR+1%. The base rate may vary from lender to lender.
- **Tenor:** The tenor of the facilities availed by us typically ranges from five (5) years to six (6) years.
- **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
 - ✓ provide a pledge of the warehouse receipts issued to us by the National Bulk Handling Corporation Limited;
 - ✓ create security by way of hypothecation of all existing and future inventories, receivables, current assets and/or fixed assets of our Company, and in case of the vehicle loan, hypothecation of the vehicle;
 - ✓ create an equitable mortgage over some of our properties;
 - ✓ create a *pari passu* charge over agreements entered into by the Company or our Subsidiary during the course of business, such as packing credit agreement, export credit agreement and post shipment agreement;
 - ✓ provide a personal guarantee of the directors or corporate guarantee of the company, as the case may be; and
 - ✓ execute other miscellaneous security documents in the form approved by the lender.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

- **Re-payment:** The tenor of the term loan and the cash credit facilities (*depending on the nature of the facility*) ranges from five (5) years to six (6) years, while some of our cash credit facilities are repayable on demand.
- **Events of Default:** Borrowing arrangements entered into by our Company or our Subsidiary, as the case may be, contain standard events of default, including:
 - ✓ non-observance of the borrower covenants/ terms and conditions of the sanction; and
 - ✓ non-payment of interest as and when the same becomes due and payable.

This is an indicative list and there may be additional terms and conditions that may amount to an event of default under the various borrowing arrangements entered into by us. Our Company and our Subsidiary are required to ensure that the



aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company or our Subsidiary, as the case may be, for the purpose of availing of loans, are not triggered.

- **Pre-payment conditions:** No pre-payment conditions have been imposed on our Company and our Subsidiary in relation to the loans availed by our Company and its Subsidiary.
- **Declaration of dividend:** The borrowing arrangements entered into by our Company and our Subsidiary generally impose restrictions on declaration of dividend for a year except out of the profits relating to that year, without the prior written permission of the lender.



SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, our Subsidiary, or our Directors; (v) any litigation involving our Company, our Subsidiary, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and our Subsidiary in the preceding five (5) years from the date of this Draft Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Draft Red Herring Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company or our Subsidiary in the preceding five (5) years from the date of this Red Herring Prospectus; (xi) matters involving our Company and our Subsidiary pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

The details of the outstanding litigation or proceedings involving our Company, Subsidiary and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI (ICDR) Regulations, for the purposes of disclosure, our Board on June 26, 2017 has considered all other pending litigations involving our Company, Subsidiary and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds five percent (5%) of the net Profit After Tax or five percent (5%) of the net worth of our Company, whichever is higher based on the Standalone Restated Financial Information. Further, pre-litigation notices received by our Company, Directors and Subsidiary (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding litigations involving our Company and Subsidiary. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.

I. Criminal Cases filed by our Company

1. Our Company, through its employee, filed a Complaint before the J&K Police against Mr. Ram Chand and his brothers for damaging the road and obstructing the movement of vehicles on the road under dispute. The J&K Police has filed and FIR on the basis of this complaint by our employee. The matter is now before the Special Electricity Magistrate, Jammu and shall come up for hearing in due course.

II. Cases filed against the Promoter & Director of our Company

1. Mr. Ram Chand (the "**Plaintiff**") has filed a suit (*No. 90/C DOI 6/08/2012*) against our Promoter, Mr. Rohit Gupta and others (the "**Defendants**") before the 1st Additional Munsiff Court, Jammu. The Plaintiff has filed this suit seeking permanent prohibitory injunction restraining the Defendants from interfering in the peaceful possession of land admeasuring eleven (11) kanals and eighteen (18) marlas situated at village Seora, Kunjwani and preventing the use of an existing motorable road used for the rice factory. The Court has appointed a Commissioner on the application made by the Defendants. This order by the Court has been challenged by the Plaintiff before the Hon'ble High Court of Jammu and Kashmir at Jammu. The matter shall come up for hearing in due course.
2. Mr. Ram Chand has filed an Appeal (*Petition No. 67/2013*) before the Hon'ble High Court of Jammu & Kashmir at Jammu against an order passed by the 1st Additional Munsiff Court, Jammu appointing a Commissioner for spot inspection of the site to delineate the road in dispute with our Promoter, Mr. Rohit Gupta and others in suit (*No. 90/C DOI 16/08/2012*). The matter shall come up for hearing in due course.

III. Criminal cases filed by our Promoter & Director

1. Our Promoter & Director, Mr. Rohit Gupta and others have filed a petition (*561-A Cr.P.C No. 617/2015*) before the Hon'ble High Court of Jammu & Kashmir against an order of cognizance of the private complaint filed by Mr. Ram Chand before the Special Electricity Magistrate, Jammu. The proceedings before the Special Electricity Magistrate, Jammu have been stayed. The matter shall come up for hearing in the normal course.
2. Mr. Ram Chand has filed a criminal complaint before the Special Electricity Magistrate, Jammu against our Promoter & Director, Mr. Rohit Gupta and others and accused them of assault punishable under Section 323, 341, 504 and 506 of the Ranbir Penal Code (RPC). The matter shall come up for hearing in the normal course.



IV. Civil case filed by our Promoter & Director

1. Our Promoter, Mr. Rohit Gupta and others (the "**Plaintiffs**") have filed a suit (27/civil/2012) against Mr. Ram Chand and others (the "**Defendants**") before the Additional District Judge, Jammu seeking protection of easementary rights against encroachment upon the motorable road linking the rice mill. The issues have been framed and the matter is presently at the stage of evidence of the Plaintiffs. The matter shall come up for hearing in due course.

V. Proceedings against our Subsidiary, Sarveshwar Overseas Limited

1. Our subsidiary, SOL, has been issued an order dated January 18, 2017 from the Srinagar Zonal Office of the Enforcement Directorate, Government of India (the "**ED**") for (i) submitting details in relation to all outstanding export bills appearing in the books of SOL; and (ii) which were pending realisation from 2013 till date. SOL, by way of its letter dated February 11, 2017, submitted all requisite details in relation to the required six (6) outstanding export bills to the ED. The matter is pending before ED.

VI. Material frauds committed against our Company

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Red Herring Prospectus.

VII. Past cases where penalties imposed

There are no past cases in the five (5) years preceding the date of this Red Herring Prospectus, where penalties were imposed on our Company by concerned authorities.

VIII. Past inquiries, inspections and investigations under the Companies Act

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five (5) years immediately preceding the year of issue of the Red Herring Prospectus in the case of our Company and its Subsidiary.

IX. Fines imposed or compounding of offences

There have been no prosecutions filed by our Company and its Subsidiary (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Red Herring Prospectus.

X. Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Red Herring Prospectus.

XI. Defaults and non-payment of statutory dues

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (*including interest*) or dues in respect of deposits (*including interest*) or any defaults in repayment of loans from any bank or financial institution (*including interest*).

XII. Outstanding litigation involving our Company, Subsidiary, Directors or any other person whose outcome could have a material adverse effect on our Company

Except as disclosed above, there is no outstanding litigation involving our Company, Subsidiary, Directors or any other person whose outcome could have a material adverse effect on our Company.

XIII. Material developments since March 31, 2017

Other than as disclosed under section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 142 of this Red Herring Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next twelve (12) months.



XIV. Outstanding dues to Creditors

Our Board has, pursuant to its resolution dated June 26, 2017, approved that all creditors of our Company to whom the amount due by our Company exceeds ₹50.07 million, i.e. 5% of trade payables of our Company as of September 30, 2017 as per the Consolidated Restated Financial Information of our Company shall be considered "material" creditors of our Company.

The outstanding dues owed to small scale undertakings and other creditors, separately, giving details of number of cases and amounts for all dues where each of the dues exceeds ₹50.07 million as on September 30, 2017, is set out below:

Material Creditors	Number of cases	Amount involved (₹ in millions)
Small scale undertakings	6	94.18
Other creditors	3	573.70

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at www.sarveshwarrice.com. It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.sarveshwarrice.com, would be doing so at their own risk.



GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated June 19, 2017, authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on July 13, 2017 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Red Herring Prospectus pursuant to its resolution dated December 26, 2017;
- d. We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated January 25, 2018 bearing reference no. NSE/LIST/34997.
- e. NSDL/CDSL: ISIN No.: INE324X01018.

II. Corporate Approvals

- a. Certificate of Incorporation dated August 3, 2004 issued by Registrar of Companies, Jammu and Kashmir.
- b. Corporate Identity Number (CIN): U15312JK2004PLC002444

III. Approvals obtained in relation to our business operations

Our Company and its Subsidiary requires various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us to undertake our business, including processing and marketing of our products are provided below:

- a. Registration and License to work a factory: We are required to obtain license under the Factories Act, 1948 in relation to its processing facilities located at Seora and SIDCO. Our Company and its Subsidiary has obtained the factories license, both of which are valid till December 31, 2017.
- b. Registration cum membership certificate from APEDA: We are required to obtain registration cum membership certificate from APEDA wherein we have been registered as exporters of certain specified products as mentioned therein. Our Company and its Subsidiary has obtained APEDA registration, which are valid till April 28, 2018 and December 25, 2020 respectively.
- c. Environmental registrations: We have obtained the relevant consents from the J&K State Pollution Control Board for the establishment and operations of our processing facilities in Seora and SIDCO under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution), Act, 1981. Our consent for our processing unit at Seora is valid till March 31, 2018. Our consent for our processing unit at SIDCO has expired on March 31, 2017. However, our Subsidiary has made payment of requisite fees on March 3, 2017 for renewal of relevant consents from the J&K State Pollution Control Board and the renewed environmental consent is awaited.
- d. Employment related registrations: We have obtained the registration under the Contract Labour (Regulation and Abolition) Act, 1970. We have been allotted a code under the Employees' State Insurance Act, 1948 and Jammu and Kashmir Employees Provident Funds and Miscellaneous Provisions Act, 1961. We have also obtained a gratuity policy under the Payment of Gratuity Act, 1972.
- e. Shops and establishments legislations: We are required to obtain a registration certificate of establishment issued by the Department of Labour of the respective state governments where the registered office and branch offices of our Company and our Subsidiary in India are located under the provisions of the relevant state specific legislation on



shops and establishments. We have obtained the relevant shops and establishments registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our registered office and other offices in India.

- f. NOP and NPOP certifications: We have obtained National Programme for Organic Production, India ("**NPOP**") and National Organic Program, USA ("**NOP**") certifications from Control Union Certifications (India) for processing and trading. The NPOP certifications obtained by our Company for processing and trading are valid till January 28, 2018. The NOP certification obtained by our Company will remain valid until surrendered, suspended or revoked by Control Union Certifications (India). Our Subsidiary, Sarveshwar Overseas, has obtained NPOP and NOP certifications from ECOCERT India Private Limited for processing and trading. The NPOP certifications obtained by Sarveshwar Overseas for processing and trading have expired on March 3, 2017 and February 22, 2017 respectively. Sarveshwar Overseas has applied for renewal of the aforesaid NPOP certifications and is awaiting renewed certifications in this regard. The NOP certification obtained by our Subsidiary will remain valid until suspended. Our Company and our Subsidiary, HBOFPL, have organized willing farmers into twenty two (22) clusters for organic farming of paddy. Of these, twelve (12) clusters are in Jammu and Kashmir, six (6) clusters are in Himachal Pradesh and two (2) clusters are in Uttar Pradesh. These clusters have obtained NPOP and NOP certifications for production. These certifications certify that the products and areas are in accordance with the requirements of the NPOP and the NOP technical standards for processing and trading. Some of these NPOP and NOP certifications have expired as on the date of this Red Herring Prospectus. Our Company is in the process of renewal of the same.
- g. Tax Registrations: We are required to register under various central tax legislations and state specific tax legislations such as the Income Tax Act, 1961, the Central Sales Tax Act, 1956, state specific sales tax and value added tax legislations. We have obtained PAN; TAN; TIN number. We have also obtained the importer exporter code for our operations. We have obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax legislations.
- h. Other approvals and licenses: We have also obtained other approvals under various other central and state legislations viz. license under Food Safety and Standards Act, 2006 (FSSAI); certificate under the Jammu and Kashmir Weights and Measures (Enforcement) Act, 1997; registration as small scale enterprise; boiler's license; mandi licences under the Punjab Agricultural Produce Markets Act, 1961, license obtained by contractors appointed by us under Contract Labour (Regulation and Abolition) Act, 1970; etc.

IV. Intellectual property related approvals

Ms. Radha Rani Gupta, mother of Mr. Rohit Gupta-our promoter, had made 42 applications under various classes with the Trade Marks Registry, New Delhi to register our brands which are mostly related to brands under which we sell our Basmati and Non-Basmati rice viz. "*Sarveshwar Select*"; "*Sarveshwar Unique*"; "*Sarveshwar Ultra XL*"; "*Sarveshwar Magic*"; "*Sarveshwar Delight*"; etc. Our Company has made an application with the Trade Marks Registry to register

our logo  under Class 30 which is pending registration as on the date of this Red Herring Prospectus. Further, our Company has also entered into a Trademark License Agreement dated April 29, 2017 wherein Ms. Radha Rani Gupta has licensed the use of trademark "Sarveshwar" in Hindi and English registered under Class 30 to our Company for a period of five (5) years from April 29, 2017. As on the date of this Red Herring Prospectus, 42 applications have been made in the name of Ms. Radha Rani Gupta.

Additionally, the logo "*Nimbark*"  is registered with the Trade Marks Registry, New Delhi and the Office for Harmonization in the Internal Market (Trade Marks and Designs) under various classes.

Further, the organic products including organic rice is sold under the brand "*Nimbark*" which is registered in the name of Ms. Radha Rani Gupta. Himalayan Bio Organic Foods Private Limited, ("**HBOFPL**"), wholly owned subsidiary of our Company has entered into a Trademark License Agreement dated June 15, 2017 wherein Ms. Radha Rani Gupta has licensed the use of word mark "*Nimbark*" in English registered under Class 30 to HBOFPL for a period of five (5) years from June 15, 2017.



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has, pursuant to its resolution dated June 19, 2017, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act and our Equity Shareholders have, pursuant to a resolution dated July 13, 2017, under Section 62(1)(c) of the Companies Act, authorized the Issue.

In-principle Listing Approvals

Our Company has obtained an In-principle approval from National Stock Exchange of India Limited vide letter dated January 25, 2018 to use the name of NSE Emerge in this Offer Document for listing of equity shares on the SME platform of the NSE. NSE Emerge is the Designated Stock Exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

None of our Company, our Promoter, our Promoter Group, our Directors, and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoter, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are in any manner associated with the securities market and there is or has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoter or directors.

Neither our Company, nor our Promoter, nor our Directors, nor the relatives (as per the Companies Act) of our Promoter, are or have been detained as wilful defaulters by the RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is an unlisted issuer in terms of the SEBI ICDR Regulation and this Offer is an initial public offer in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 106 (M) (2) of Chapter XB of the SEBI ICDR Regulations, 2009, as amended from time to time, whereby, an issuer whose post offer face value capital does not exceed twenty-five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange"), in this case being the SME Platform of NSE Emerge.

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI ICDR Regulations, this Offer has been hundred percent underwritten and that the Lead Managers to the Offer have underwritten more than 15% of the total Offer Size. For further details pertaining to the said underwriting please refer to section titled "General Information – Underwriting" beginning on page 56 of this Red Herring Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable 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.
- c) In accordance with Regulation 106(O) the SEBI ICDR Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Managers and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this offer. For further details of the arrangement of Market Making, please see "General Information- Details of the Market Making Arrangements for this Offer" on page no 57 of this Draft Prospectus. We



further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

- e) The Company has a record of 3 (three) years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the application and the net worth of the Company is positive.
- f) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹181.00 million and the post issue capital will be of ₹ 245.66 million.
- g) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- h) There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- i) There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to the Stock Exchange or listing on the SME segment.
- j) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with CDSL and NSDL.
- n) We have a website: www.sarveshwarrice.com

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KEYNOTE CORPORATE SERVICES LIMITED, SMALL INDUSTRIAL DEVELOPMENT BANK OF INDIA, INDIAN OVERSEAS BANK, ASIT C. MEHTA INVESTMENT INTERMEDIATES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ISSUE, STATE AND CONFIRM AS FOLLOWS:

- (1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- (2) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (A) **THE RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) **THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE**



INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS.
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS – COMPLIED WITH AND NOTED FOR COMPLIANCE
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE
- (8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE.
- (9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
- (10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES IN THE OFFER ARE TO BE ISSUED IN DEMATERIALISED MODE ONLY.
- (11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.



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- (12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
- (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE (1) DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
- (13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE
- (14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
- (15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- (16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH THE CIRCULAR DATED SEPTEMBER 27, 2011.
- (17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY OF THIS RED HERRING PROSPECTUS AS CERTIFIED BY M/S. K R A & CO., CHARTERED ACCOUNTANTS, FIRM REGISTRATION NUMBER 020266N BY WAY OF ITS CERTIFICATE DATED DECEMBER 10, 2017.

THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

ADDITIONAL CONFIRMATIONS/ CERTIFICATIONS TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN.



3. WE CONFIRM THAT THE RED HERRING PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. –NOTED FOR COMPLIANCE
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB- REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Disclaimer clauses from our Company and the BRLMS

Our Company, our Directors and the BRLMS accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website <http://www.sarveshwarrice.com> would be doing so at his or her own risk.

The BRLMS accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the BRLMS to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLMS and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not competent to contract within the Indian Contract Act, 1872, 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 registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies, permitted provident fund and pension funds, insurance funds set up and managed by the army and navy of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FPIs, FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Jammu only.



No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs” pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be NSE Emerge.

Disclaimer Clause of NSE

As required, a copy of this Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause under Rule 144A of the 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. 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Filing

The Draft Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in terms of Regulation 106 (O) (1). However, a copy of the Prospectus shall be filed with SEBI at Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 and Northern Regional Office, the Regional Director, 5th Floor, Bank of Baroda Building, 16, Sansad marg, New Delhi- 110001.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC at Jammu and Kashmir and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the office of the Registrar of Companies, Jammu and Kashmir located at Hall Nos. 405 to 408 Bahu Plaza, South Block, Rail Head Complex Jammu 180012, Jammu and Kashmir, India.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of NSE. However, application shall be made to SME Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its SME Platform after the allotment in the Offer. NSE Emerge and BSE is



the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE Emerge, our Company and the Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. The allotment letters shall be issued or application money shall be refunded within 15 (fifteen) days from the closure of the Offer or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Section 40 of the Companies Act, 2013.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE Emerge mentioned above are taken within 6 (six) Working Days of the Offer Closing Date.

The Company has obtained an In- principle approval from National Stock Exchange of India vide letter dated January 25, 2018 to use the name of NSE Emerge in this Offer document for listing of equity shares on SME Platform of NSE.



ANNEXURE TO THE SEBI DISCLAIMER CLAUSE - POINT NO. 16
The price information of past issues handled by the BRLMS is as follows:

1. Keynote Corporate Services Limited

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/-% change in closing price, [+/-% change in closing benchmark]-30 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180 th calendar days from listing
1.	Shree Pushkar Chemicals and Fertilizers Limited	70.00	65	10/09/2015	60.05	# 12.69%, [4.56%]	44.57%, [-2.25%]	81.84%, [-3.89%]
2.	Perfect Infraengineers Limited (SME Platform – NSE EMERGE)	5.77	23	20/11/2015	26.00	# -7.97%, [-0.28%]	# -35.26%, [-8.07%]	# -25.70%, [-0.93%]
3.	Steel City Securities Limited (SME Platform – NSE EMERGE)	26.99	55	17/02/2017	55.00	# 35.13%, [3.46%]	23.95%, [6.89%]	# 94.12%, [12.37%]



Summary statement of price information of past issues handled by Keynote Corporate Services Limited

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount- 30 th calender days from listing			Nos. of IPOs trading at premium- 30 th calender days from listing			Nos. of IPOs trading at discount- 180 th calendar days from listing			Nos. of IPOs trading at premium- 180 th calendar days from listing		
			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%
2015-16	2	75.77	Nil	Nil	1	Nil	Nil	1	Nil	1	Nil	1	Nil	Nil
2016-17	1	26.99	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil

2. Small Industrial Development Bank of India

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/-% change in closing price, [+/-% change in closing benchmark]-30 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180 th calendar days from listing
1.	Perfect Infraengineers Ltd	5.77	23	20/11/2015	26	0.43% (-0.10%)	-24.34%(-8.29%)	-18.91% (0.62%)
2.	Shree Tirupati Balajee FIBC Ltd	10.80	40	05/10/2017	45	15.25% (6.62%)	-	-
3.	Ambition Mica Ltd (FPO)	12.60	42	29/11/2017	42.05	-	-	-



Summary statement of price information of past issues handled by Small Industrial Development Bank of India

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount- 30 th calender days from listing			Nos. of IPOs trading at premium- 30 th calender days from listing			Nos. of IPOs trading at discount- 180 th calendar days from listing			Nos. of IPOs trading at premium- 180 th calendar days from listing		
			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%
2015-16	1	5.77	0	0	0	0	0	1	0	0	1	0	0	0
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017-18*	2	23.40	0	0	0	0	0	1	-	-	-	-	-	-

*Out of 2 issues handled during FY 2017-18 till date, One issue viz. Ambition Mica Ltd. Is yet to complete 30th day and other issue viz. Shree Tirupati Balajee FIBC ltd is yet complete 180th day from their respective listing date.

3. Indian Overseas Bank

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/-% change in closing price, [+/-% change in closing benchmark]-30 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180 th calendar days from listing
1.	Nandani Creation Limited	4.04	28	October 10, 2016	33.60	39.29% (-1.90%)	61.25% (-16.19%)	99.29% (5.62%)
2.	Gretex Industries Limited	3.96	20	October 14, 2016	24.00	-8.00% (-3.34%)	-26.25% (-2.36%)	-21.00% (7.61%)



Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/-% change in closing price, [+/-% change in closing benchmark]-30 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90 th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180 th calendar days from listing
3.	Agro Phos (India) Limited	12.94	22	November 16, 2016	26.40	-6.59% (0.52%)	2.95% (6.75%)	-3.64% (15.88%)
4.	Zota Healthcare Limited	58.50	125	May 10, 2017	140.40	6.64% (2.25%)	5.84% (6.91%)	59.20% (11.11%)

Summary statement of price information of past issues handled by Indian Overseas Bank

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount- 30 th calendar days from listing			Nos. of IPOs trading at premium- 30 th calendar days from listing			Nos. of IPOs trading at discount- 180 th calendar days from listing			Nos. of IPOs trading at premium- 180 th calendar days from listing		
			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%
2016-17	3	20.94	-	-	2	-	1	-	-	2	1	-	-	
2017-18	2	62.03	-	-	-	1	-	1	N.A.			1	-	-

4. Asit C. Mehta Investment Intermmediates Limited

Asit C. Mehta Investment Intermmediates Limited has not handled any issues in the past. Hence details of the same are not applicable.



Notes:

1. *The BSE Sensex and CNX Nifty are considered as the Benchmark Indices*
2. *Prices of BSE/NSE are considered for all of the above calculations*
3. *In case of 30th/60th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered*
4. *In case 30th/90th/180th days scrips are not traded, then last trading price has been considered*
5. *As per SEBI Circular No.CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager.*
6. *The information for each of the financial years is based on issues listed during such financial year.*

**N.A. = Not Applicable*



Track record of past issues handled by the BRLMS

For details regarding the track record of the BRLMS to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the BRLMS as set forth in the table below:

No.	Name of the BRLMS	Website
1.	Keynote Corporate Services Limited	www.keynoteindia.net
2.	Small Industrial Development Bank of India	www.sidbi.net
3.	Indian Overseas Bank	www.iob.in
4.	Asit C. Mehta Investment Intermediates Limited	www.investmentz.com

Caution – Disclaimer from our Company, our Directors and the BRLMS

Our Company, our Directors and the BRLMS accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.sarveshwarrice.com, would be doing so at his or her own risk.

The BRLMS accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLMS and our Company dated December 20, 2017, and the Underwriting Agreement entered into among the Underwriters and our Company dated February 02, 2018.

All information shall be made available by our Company and the BRLMS to the Bidders and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The BRLMS and their respective associates may engage in transactions with, and perform services for our Company and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or their respective affiliates or associates for which they have received, and may in future receive compensation. Bidders that bid in the Issue will be required to confirm, and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

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."

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

Consents

Consents in writing of (a) our Directors, the Company Secretary and Compliance Officer, the Auditors, the legal counsels, the Bankers to our Company, the Bankers to the Issue, lenders (where such consent is required), industry sources, and (b) the Lead



Manager, the Syndicate Members and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC.

Our Company has received written consent from, M/s. K R A & Co., Chartered Accountants, our Auditors, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Red Herring Prospectus and as "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of the reports of the Auditor on the Restated Standalone Financial Statements and on the Restated Consolidated Financial Statements, each dated December 10, 2017 and the statement of tax benefits dated December 10, 2017 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Expert Opinion

Except for the report of our Auditor on the Restated Financial Statements, the statement of tax benefits and the Industry Report by CRISIL included in this Red Herring Prospectus, on pages 167, 101 and 79, respectively, our Company has not obtained any expert opinion.

Issue Related Expenses

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

(₹ in millions)			
Activity Expense	Amount* (in ₹ Million)	Percentage of Total Estimated Issue Expenses*	Percentage of Issue Size*
Fees of the BRLMS, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers	[●]	[●]	[●]
Processing fee to the SCSBs for processing Bid-cum-Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[●]	[●]	[●]
Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Listing fees and other regulatory expenses	[●]	[●]	[●]
Other expenses (Legal advisors, Auditors, PR firm and other Advisors etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

Fees, Brokerage and Selling Commission

The total fees payable to the BRLMS and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letters with the Book Running Lead Managers and the Syndicate Agreement executed among our Company and the members of the Syndicate, copies of which shall be available for inspection at our Registered Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, including fees for processing of Bid-cum-Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the agreement dated December 22, 2017 signed among our Company and the Registrar to the Issue, a copy of which shall be made available for inspection at our Registered Office.



Particulars regarding Public or Rights Issues during the last Five (5) Years

There have been no public or rights issues undertaken by our Company during the five (5) years immediately preceding the date of this Red Herring Prospectus.

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous Issues Otherwise than for Cash

Except as disclosed under section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues in the Preceding three (3) Years

Except as disclosed under section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus, our Company has not made any capital issues during the three (3) years immediately preceding the date of this Red Herring Prospectus. None of our Subsidiaries are listed on any stock exchange in India or overseas as on the date of this Red Herring Prospectus.

Performance vis-à-vis Objects

Our Company has not undertaken any public or rights issue in the ten (10) years immediately preceding the date of this Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Subsidiaries

None of our Subsidiaries or have made any public or rights issues in the ten (10) years immediately preceding the date of this Red Herring Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Red Herring Prospectus.

Partly Paid-Up Shares

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances by our Company

The agreement dated December 22, 2017 between the Registrar to the Issue and our Company, provides for retention of records with the Registrar to the Issue for a minimum period of three (3) years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors may contact the BRLMS for any complaint pertaining to the Issue. All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, the Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.



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 if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, with respect to the Bid-cum-Application Forms submitted with the Registered Broker, the investor shall also enclose the acknowledgement from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Issue for the redressal of routine investor grievances shall be seven (7) 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. Prabhdeep Kour, Company Secretary, as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

Sarveshwar Foods Limited

Sarveshwar House, below Gummat
Jammu 180 001, Jammu and Kashmir, India.
Telephone: +91 191 2547391
CIN: U15312JK2004PLC002444
Website: www.sarveshwarrice.com
Email id: investorrelations@sarveshwarrice.com

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Mr. Jagdish Lal Sharma; Dr. Tej Partap; and Mr. Anil Kumar, which is responsible for redressal of grievances of the security holders of our Company. For further details, please refer to section titled "Our Management" beginning on page 123 of this Red Herring Prospectus.

We do not have any listed Group Entities as on the date of this Red Herring Prospectus.

Changes in Auditors

The changes in the Statutory Auditors of our Company in the last three (3) years are as follows:

No.	Name of Firms	Date of change	Reason for change
1.	M/s K R A & Co., Chartered Accountants FRN NO: 020266N	17/07/2017	APPOINTMENT
2.	M/s P.C Bindal & Co., Chartered Accountants FRN NO: 003824N	04/07/2017	RESIGNATION

Capitalization of Reserves or Profits

Except as provided under the section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the five (5) years immediately preceding the date of this Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.



SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issuer are subject to the provisions of the Companies Act, the SEBI (ICDR) Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid-cum-Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/ or any other authorities while granting its approval for the Issue.

Please note that, in accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Ranking of the Equity Shares

The Equity Shares being offered and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and rank *pari-passu* in all respects with the other existing Equity Shares including in respect of the rights to receive dividend. In respect of the Issue, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been issued and allotted Equity Shares in such Issue for the entire year. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled "Main Provisions of Articles of Association" beginning on page 230 of this Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association. For further details, please refer to section titled "Dividend Policy" and "Main Provisions of Articles of Association" beginning on pages 141 and 230 respectively of this Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹10 and the Issue Price is ₹[●] per Equity Share.

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 websites of the Stock Exchanges.

At any given point of time, there shall be only one (1) denomination of Equity Shares.

Compliance with the SEBI (ICDR) Regulations

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- 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 including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements to be entered into by our Company with the Stock Exchange(s) and the Memorandum



of Association and Articles of Association of our 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, please refer to section titled "Main Provisions of Articles of Association" beginning on page 230 of this Red Herring Prospectus.

Minimum Application Value, Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated April 21, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated April 11, 2017 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 1,600 Equity Share. Allotment in this Issue will be only in electronic form and in multiples of one Equity Share subject to a minimum allotment of 1,600 Equity Shares.

Minimum Number of Allottees

Further in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within six (6) days of closure of Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jammu, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (*as defined in Regulation S*), except pursuant to 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 offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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.

Joint Holders

Where 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.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.



Further, 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 moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company in consultation with the BRLMS, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMS through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders 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 (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

Bid/ Issue Opening Date

Bid / Issue Opening Date	Monday, March 5, 2018
Bid / Issue Closing Date	Wednesday, March 7, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before March 12, 2018
Initiation of Refunds	On or before March 13, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before March 14, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before March 15, 2018

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

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the BRLMS to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (*excluding any public holiday*).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the BRLMS is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the BRLMS, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.



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

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid-cum-Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue within the Bid/Issue Period; and/or (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any within sixty days of from the date of closure of the issue, our Company shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI ICDR Regulations. If there is a delay beyond eight days from the date of closure of the issue, the prescribed period, our Company shall pay interest as prescribed under Rule 11 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Further, in accordance with Regulation 106R of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 50.

Migration to Main Board

Our company may migrate to the main board of NSE from NSE EMERGE on a later date subject to the following:

a. If the Paid-up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall have to apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

b. If the Paid-up Capital of our company is more than Rs. 10 crores but below Rs. 25 crores, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid down by the Main Board (NSE) and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.



Market Making

The shares offered through this issue are proposed to be listed on the EMERGE Platform of NSE (SME Exchange) wherein the BRLMS to the issue shall ensure compulsory Market Making through registered Market Maker of the SME Exchange for a minimum period of 3 (three) years from the date of listing of shares issued through this Red Herring Prospectus on the EMERGE Platform of NSE. For further details of the market making arrangement, please refer to section titled "General Information" beginning on page 51 of this Red Herring Prospectus.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 1,600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one (1) lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of NSE.

As Per the Extant Policy of the Government of India, OCBs Cannot Participate in this Issue

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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.

Option to Receive Securities in Dematerialized Form

In accordance with the SEBI (ICDR) Regulations, every company making public offer shall issue and allot securities to successful applicants in dematerialized form only. Applicants shall not have an option of allotment of Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Application by Eligible NRIs, FIIs Registered with SEBI, VCFs Registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in section titled "Capital Structure" beginning on page 60 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 230 of this Red Herring Prospectus.



Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) 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 where the Registered Office of our Company is situated.

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 BRLMS do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMS 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 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 or regulations.



ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital exceeds ten crore rupees, but does not exceed twenty five crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such an Issue, please refer to section titled "Terms of Issue"; and "Issue Procedure" beginning on page 208; and 214 respectively of this Red Herring Prospectus.

The Issue comprises of a Public Issue of upto 6,467,200 Equity shares of face value of ₹10 each fully paid (the "**Equity Shares**") for cash at a price of ₹[●] (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million (the "**Issue**") by our Company.

The Issue comprises a Net Issue to Public of upto 6,142,400 Equity Shares (the "**Net Issue**") and upto 324,800 Equity Shares of ₹10 each will be reserved for subscription by Market Maker ("**Market Maker Reservations Portion**"). The Issue and Net Issue will constitute 26.32% and 25% of the Post-Issue Paid-up Equity Share Capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	Net offer to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	61,42,400 Equity Shares	3,24,800 Equity Shares
Percentage of Issue Size available for allocation	95.00% of Issue Size	5.00% of Issue Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 1,600 equity shares and further allotment in multiples of 1,600 Equity Shares each. For further details please refer to the section titled "Issue Procedure" beginning on page 216 of this Red Herring Prospectus	Firm allotment
Mode of Bid-cum-Application	All Applicants/Bidders shall make the application (<i>Online or Physical through ASBA Process</i>)	Through ASBA Process only
Minimum Bid Size	<p>For Non Retail investors /bidders</p> <p>Such number of Equity Shares in multiples of 1,600 Equity Shares such that the Application size exceeds Rs. 2,00,000</p> <p>For Retail Individual</p> <p>1,600 Equity Shares</p>	3,24,800 Equity Shares
Maximum Bid Size	<p>For Other than Retail Individual Investors:</p> <p>For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.</p> <p>For Retail Individuals:</p> <p>1,600 Equity Shares</p>	Equity Shares of Face Value of Rs. 10 each
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	1,600 Equity Shares	1,600 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form	

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



**50% of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹2,00,000 and the balance 50% of the shares are reserved for applications whose value is above ₹2,00,000.*

In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.



ISSUE PROCEDURE

All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "Issue Procedure- Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, and the amendments to the SEBI (ICDR) Regulations to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, certain changes would be applicable to the issue procedure for initial public offerings, including making the ASBA process mandatory for all investors (except for Anchor Investors) and allowing registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public issues which open on or after January 1, 2016. In the event that the Bid/ Issue Opening Date for this Issue is on or after January 1, 2016, we will have to make appropriate changes to the "Issue Procedure" section and other sections of this Red Herring Prospectus, prior to filing of the Red Herring Prospectus with the RoC.

Our Company and the BRLMS do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

PART A

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations via book building process wherein 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice - versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMS and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid-Cum-Application Form

Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the BRLMS, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid-cum-Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) Working Day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid-cum-Application Form and the Bid-cum-Application Forms that do not contain such details are liable to be rejected.



ASBA Bidders shall ensure that the Bids are made on Bid-cum-Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid-cum-Application Forms) and the Bid-cum-Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

*excluding electronic Bid-cum-Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid-cum-Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Who can Bid?

In addition to the category of Bidders set forth under- General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other person eligible to Bid in the Issue under applicable laws.

Maximum and Minimum Application Size

a. For Retail Individual Bidders:

The Bid must be for a minimum of 1,600 Equity Shares and in multiples of 1,600 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹2,00,000.

b. For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid-cum-Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹2,00,000 and in multiples of 1,600 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Bid-cum-Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders

- Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid/ Issue Opening Date.
- Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre- issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- issue advertisement, our Company and the BRLMS shall advertise the Bid/ Issue



Opening Date, the Bid/ Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations.

- c. The price band as decided by our Company in consultation with the BRLMS is ₹ 83 to ₹85 per Equity Share. The Floor Price of Equity Shares is ₹83 per Equity Share and the Cap Price of Equity Shares is ₹85 per Equity Share and the minimum Bid Lot is of 1,600 Equity Shares.
- d. Our Company shall also announce the Price Band atleast five (5) Working Days before the Bid/Issue Opening Date in English and Hindi National newspapers and one Regional newspaper with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges.
- e. The Issue Period shall be for a minimum of three (3) Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLMS and at the terminals of the members of the Syndicate.
- f. The BRLMS shall dispatch the Red Herring Prospectus and other Issue material including Bid-cum-Application Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.
- g. The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid-cum-Application Form is liable to be rejected.

Option to subscribe in the Issue

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single Bid-cum-Application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

Availability of Red Herring Prospectus and Bid-Cum-Application Form

Copies of the Bid-cum-Application Form and the abridged prospectus will be available at the offices of the BRLMS, 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 (1) day prior to the Bid/Issue Opening Date.

Participation by Associated/ Affiliates of BRLMS and Syndicate Members

The BRLMS and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMS and the Syndicate Members, if any, may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion as may be applicable to such Bidders, where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Bids by Eligible NRI'S

NRIs may obtain copies of Bid-cum-Application Form from the offices of the BRLMS and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid-cum-Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid-cum-Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Bid-cum-Application Form meant for Non-Residents (blue in colour).

Bids by FPI including FIIS

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII



Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid-cum-Application Form for Non-Residents (blue in colour).

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, 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 Regulations until an existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.



Bids by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid-cum-Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Bid-cum-Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bid in respect of more than one scheme of the Mutual Fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the bids are made.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid by a limited liability partnership without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: 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
- c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, FPIs, insurance companies and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.



Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid-cum-Application Form, failing which our Company reserves the right to reject any Bid by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making 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 ASBA applications.

The above information is given for the benefit of the Bidders. Our Company, the BRLMS and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Issuance of a Confirmation Note ("CAN") and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMS or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of ₹[●] per share is payable on Bid-cum-Application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.



Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid-cum-Application Form and the SCSBs shall block an amount equivalent to the Bid-cum-Application Amount in the bank account specified in the Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Bid-cum-Application or receipt of instructions from the Registrar to unblock the Bid Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their Bid-cum-Applications at any stage. In the event of withdrawal or rejection of the Bid-cum-Application Form or for unsuccessful Bid-cum-Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the bid money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid-cum-Application by the ASBA Bidders, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

Signing of Underwriting Agreement and Filing of Prospectus with RoC

- a. Our Company has entered into an Underwriting agreement dated February 02, 2018.
- b. A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Advertisement Regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The BRLMS or the Registrar to the Issue will dispatch an Allotment Advice to their bidders who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid-cum-Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;



6. If the first bidder is not the account holder, ensure that the Bid-cum-Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid-cum-Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid-cum-Application Forms;
8. Ensure that the name(s) given in the Bid-cum-Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid-cum-Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid-cum-Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid-cum-Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in —active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other bids in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form;
19. Ensure that the Bid-cum-Application Forms are delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid-cum-Application Form;
21. Ensure that you have correctly signed the authorization /undertaking box in the Bid-cum-Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid-cum-Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid-cum-Application Form; and
23. The Bid-cum-Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid-cum-Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid-cum-Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid-cum-Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);



10. Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid-cum-Application Forms or on Bid-cum-Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid-cum-Application Forms per ASBA Account;
17. The Bid-cum-Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Bids at Different Price Levels and Revision of Bids

- a. Our Company in consultation with the BRLMS, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLMS, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Application Collecting Intermediary, where the Bid was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"Any person who –

- (d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (e) 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*
- (f) 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 includes imprisonment for a term of not less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

Undertakings by the Company

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Utilization of the Issue Proceeds

The Board of Directors of our Company certifies that:

1. all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The BRLMS undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

Equity Shares in Dematerialised Form with NSDL or CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated April 21, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated April 11, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN No INE324X01018.



PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public Issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI (ICDR) Regulations**").

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Issue undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/ Prospectus filed by the Issue with the Registrar of Companies ("**RoC**"). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid-cum-Application Form/ Application Form and the Abridged Prospectus of the Issue in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issue is available on the websites of stock exchanges, on the website(s) of the BRLMS to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants may refer to "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs ON NSE EMERGE (SME PLATFORM)

2.1 Initial public Issue (IPO)

An IPO means an Issue of specified securities by an unlisted Issue to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issue.

For undertaking an IPO, an Issue is *inter alia* required to comply with the eligibility requirements in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI (ICDR) Regulations. For details of compliance with the eligibility requirements by the Issue Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public Issue (FPO)

An FPO means an Issue of specified securities by a listed Issue to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in a listed Issue.

For undertaking an FPO, the Issue is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/ 27 of the SEBI (ICDR) Regulations. For details of compliance with the eligibility requirements by the Issue Bidders/ Applicants may refer to the RHP/ Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulations.

2.3 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the "**Companies Act**"), The Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLMS has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLMS has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of atleast 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 Lakhs but does not exceed Rs. 2,500 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI (ICDR) Regulations, an Issue can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issue may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a Fixed Price Issue) and determine the price at a later date before registering the Prospectus with the RoC.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issue shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five (5) Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one (1) Working Day before the Bid/ Issue Opening Date, in case of an FPO.



The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 Issue Period

The Issue may be kept open for a minimum of three (3) Working Days (for all category of Bidders/ Applicants) and not more than ten (10) Working Days. Bidders/ Applicants are advised to refer to the Bid-cum-Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of Stock Exchange(s).

2.6 Migration to Main Board

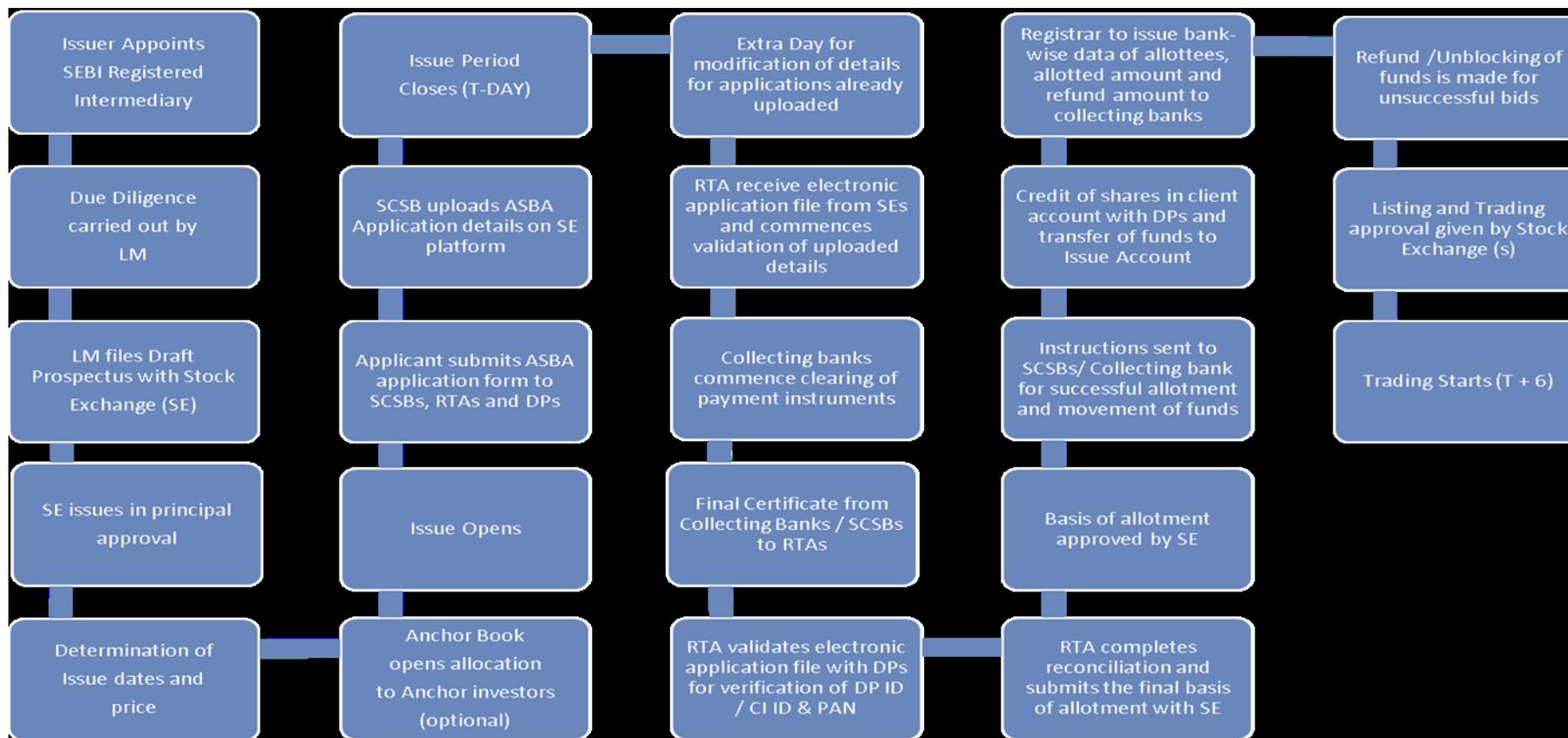
- (a) SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following: Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.7 Flowchart of Timelines

A flow chart of process flow in Fixed Price and Book Built Issues is as follows:





SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Bidder/ Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/ Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form/ Application Form as follows: "Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- Companies and corporate bodies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian financial institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI (ICDR) Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/ Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid-cum-Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid-cum-Application Forms are available with the members of the Syndicate, Registered Brokers, Designated branches of the SCSBs and at the registered office of the Issue. Electronic Bid-cum-Application Forms will be available on the websites of the Stock Exchanges at least one (1) day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid-cum-Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid-cum-Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Bid-cum-Application Forms are available with the branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issue. For further details regarding availability of Bid-cum-Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid-cum-Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of Bid-cum-Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, FPIs, QFIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

* Excluding electronic Bid-cum-Application Form



Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID-CUM-APPLICATION FORM/APPLICATION FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the DRHP and the Bid-cum-Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid-cum-Application Form can be found on the reverse side of the Bid-cum-Application Form. Specific instructions for filling various fields of the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form and samples are provided below.

The samples of the Bid-cum-Application Form for resident Bidders and the Bid-cum-Application Form for non-resident Bidders are reproduced below:



R- Bid-cum-Application Form

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI APPLYING ON A NON-REPATRIATION BASIS		
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="padding: 2px;">BOOK BUILT ISSUE</td></tr> <tr><td style="padding: 2px;">ISIN :</td></tr> </table>	BOOK BUILT ISSUE	ISIN :
BOOK BUILT ISSUE				
ISIN :				
		Bid cum Application Form No. 		

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms.
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCBOW BANK/SCSB BRANCH STAMP & CODE	Address
		Email
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile
		2. PAN OF SOLE / FIRST BIDDER
		

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS																																																																				
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH																																																																				
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	5. CATEGORY																																																																				
<table border="1" style="width: 100%; border-collapse: collapse; font-size: 8px;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th colspan="8">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>8</th><th>7</th><th>6</th><th>5</th><th>4</th><th>3</th><th>2</th><th>1</th> <th>Bid Price</th><th>Retail Discount</th><th>Net Price</th><th></th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				"Cut-off" (Please tick)	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price		Option 1													<input type="checkbox"/>	OR) Option 2													<input type="checkbox"/>	(OR) Option 3													<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
Bid Options		No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)					"Cut-off" (Please tick)																																																						
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(OR) Option 3													<input type="checkbox"/>																																																								

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) (₹ in words) _____	
ASBA Bank A/c No. 	
Bank Name & Branch 	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABSTRACT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the lot.	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	1) _____ 2) _____ 3) _____ Date : _____	

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
			PAN of Sole / First Bidder

DPID / CLID 	Amount paid (₹ in figures) Bank & Branch 	Stamp & Signature of SCSB Branch
	ASBA Bank A/c No. 	
	Received from Mr./Ms. 	
	Telephone / Mobile Email 	

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%; border-collapse: collapse; font-size: 8px;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Amount Paid (₹)																			
	ASBA Bank A/c No. 		Acknowledgement Slip for Bidder																
	Bank & Branch 		Bid cum Application Form No. 																



4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum-Application Form/ Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/ Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid-cum-Application Form may be used by the Issue, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/ Applications:** In the case of joint Bids/ applications, the Bids/ applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid-cum-Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/ Applicant whose name appears in the Bid-cum-Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/ 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 includes imprisonment for a term which shall not be less than six (6) months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three (3) years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount.

- (e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid-cum-Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim ("**PAN Exempted Bidders/ Applicants**"). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid-cum-Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid-cum-Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of



- residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid-cum-Application Forms/ Application Forms which provide the General Index Registration (GIR) Number instead of PAN may be rejected.
 - (e) Bids/ Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid-cum-Application Form/ Application Form. The DP ID and Client ID provided in the Bid-cum-Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid-cum-Application Form/Application Form is liable to be rejected.**
- (b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid-cum-Application Form/Application Form is active.
- (c) Bidders/ Applicants should note that on the basis of DP ID and Client ID as provided in the Bid-cum-Application Form/ Application Form, the Bidder/ Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/ Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (c) Minimum Bid Value and Bid Lot: The Issuer in consultation with the BRLMS may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above ₹1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- (d) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the Red Herring Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

(a) For Retail Individual Bidder

The Bid must be for a minimum of 1,600 Equity Shares. As the Bid Price payable by the Retail Individual Bidders cannot exceed ₹2,00,000, they can make Bid for only minimum size i.e. for 1,600 Equity Shares.

(b) For Other Bidders (Non-Institutional Bidders and QIBs):

- i. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹200,000 and in multiples of 1,600 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits

prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB cannot withdraw its Bid after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Bid. In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹2,00,000 for being considered for allocation in the Non Institutional Portion. Bidders are advised to ensure that any single Bid-cum-Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the RHP/Prospectus.

- ii. In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- iii. The price and quantity options submitted by the Bidder in the Bid-cum-Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid-cum-Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid-cum-Application Form and such options are not considered as multiple Bids. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid-cum-Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid-cum-Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI (ICDR) Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and



should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid-cum-Application Form and Non-Resident Bid-cum-Application Form.

- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid-cum-Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the DRHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Issue only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid-cum-Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1 Payment instructions for Bidders

- a) Bidders may submit the ASBA Form either
- in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid-cum-Application Form, or
 - in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid-cum-Application Form. The Bid-cum-Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid-cum-Application Forms can be submitted.
- f) Bidders should submit the Bid-cum-Application Form only at the Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.



Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six (6) Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid-cum-Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six (6) Working Days of the Bid/Issue Closing Date.

4.1.7.2 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid-cum-Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid-cum-Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid-cum-Application Form.
- (d) Bidders must note that Bid-cum-Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid-cum-Application Form.
- (b) All communications in connection with Bid made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.



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- iii. Bidders may contact the Company Secretary and Compliance Officer or BRLMS in case of any other complaints in relation to the Issue.
 - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
 - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries:
- i. Full name of the sole or First Bidder, Bid-cum-Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid-cum-Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:



Revision Form – R

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs, APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No	

LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____
		Address _____
		Tel. No (with STD code) / Mobile _____ Email _____
		2. PAN OF SOLE / FIRST BIDDER _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1											<input type="checkbox"/>	
(OR) Option 2											<input type="checkbox"/>	
(OR) Option 3											<input type="checkbox"/>	

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares: Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1											<input type="checkbox"/>	
(OR) Option 2											<input type="checkbox"/>	
(OR) Option 3											<input type="checkbox"/>	

6. PAYMENT DETAILS

Additional Amount Paid (₹ in figures) _____ (₹ in words) _____

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

ASBA Bank A/c No. _____

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED BROKERS/DP/RTA PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	
	1) _____	
	2) _____	
	3) _____	

TEAR HERE

LOGO **XYZ LIMITED** **Acknowledgement Slip for Broker/SCSB/DP/RTA**

Bid cum Application Form No.

PAN of Sole / First Bidder _____

Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		Stamp & Signature of SCSB Branch
Received from Mr./Ms.		
Telephone / Mobile _____ Email _____		

TEAR HERE

XYZ LIMITED	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
BID REVISION FORM - INITIAL PUBLIC ISSUE - R	No. of Equity Shares				
	Bid Price				
	Additional Amount Paid (₹)				
	ASBA Bank A/c No.				
	Bank & Branch				
					Acknowledgement Slip for Bidder
					Bid cum Application Form No.



Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid-cum-Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid-cum-Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.



4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/ BID-CUM-APPLICATION FORM /APPLICATION FORM

4.3.1 Bidders may submit completed Bid-cum -application form / Revision Form in the following manner:

Mode of Bid	Submission of Bid-cum-Application Form
All investors Bids	To the Bid-cum-Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid-cum-Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 SUBMISSION OF BIDS

- During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLMS, to register their Bid.
- In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

6.2 ELECTRONIC REGISTRATION OF BIDS

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

6.3 BUILD UP OF THE BOOK

- Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMSs at the end of the Bid/Issue Period.
- Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

6.4 WITHDRAWAL OF BIDS

- RIs can withdraw their Bids until Bid/Issue Closing Date. In case a RI wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.



- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
- the Bids accepted by the Designated Intermediaries;
 - the Bids uploaded by the Designated Intermediaries, and
 - the Bid-cum-Application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMS and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMS and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUPS OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid-cum-Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid-cum-Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid-cum-Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid-cum-Application Forms not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid-cum-Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid-cum-Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid-cum-Application Form/Application Form. Bids not duly signed by the sole/First Bidder;



- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid-cum-Application form

For details of instructions in relation to the Bid-cum-Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID-CUM-APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- The SEBI (ICDR) Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid-cum-Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the DRHP.
- 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 BRLMSs and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the DRHP.
- Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹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 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 Issuer, in consultation with the BRLMSs, 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.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of



90% of the Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the EMERGE Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) 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).
- (c) For Bids where the proportionate allotment works out to less than 1,600 equity shares the allotment will be made as follows:
 - i. Each successful Bidder shall be allotted 1,600 equity shares; and
 - ii. The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of 1,600 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1,600 equity shares subject to a minimum allotment of 1,600 equity shares.
- (e) 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 1,600 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 Issue specified under the Capital Structure mentioned in this DRHP.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
 - i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, The balance net Issue of shares to the public shall be made available for allotment to individual bidders other than retails individual investors and
 - ii. other investors, including corporate bodies/ institutions irrespective of number of shares applied for of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE- the Designated Stock Exchange in addition to BRLMS and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one



Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within six (6) Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.



RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued the Consolidated FDI Policy, which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the GoI, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

The above information is given for the benefit of the Bidders. Our Company and the BRLMS are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.



SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association of the Company are detailed below:

4. Capital and shares

The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division. If and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise

6. Restrictions on Allotment

The Directors shall have regard to the restrictions on the allotment of shares imposed by Section 39 and 40 of the said Act so far as those restrictions are binding on the Company

7. Commission for placing shares

- 1)
 - i. 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 subscription (whether absolute or conditional) for any shares in or debentures of the Company and the provisions of Section 40 of the said Act shall be observed and complied with. Such commission shall not exceed the maximum permissible rate as prescribed in the Rules. Such commission may be paid in cash or by the allotment of Securities.
 - ii. Company shall not pay any commission to any underwriter on securities which are not offered to public for subscription.
 - iii. The number of shares or debentures which persons have agreed to for commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.
- 2) Nothing in this clause shall affect the power of the Company to pay such brokerage as it may consider reasonable
- 3) A Vendor to, promoter of, other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received in payment of any commission the payment of which, if made directly by the Company, would have been legal under this Articles
- 4) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in share, debentures or debenture stock of the Company, (whether fully paid or otherwise) or in any combination thereof.

8.1 Company not to give financial assistance for purchase of its own shares

Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Sections 66 or Section 242 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company. Provided that nothing in this Article shall be taken to prohibit:

- a) the provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the relevant Rules, for the purchase of, or subscription for, fully paid up



Shares in the Company, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;

- b) the giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company to be held by them by way of beneficial ownership. Nothing in this clause shall affect the right of the Company to redeem any shares issued under Section 55

8.2 Buy back of Shares

Notwithstanding what is stated in Articles 8.1 above, in the event it is permitted by the Law and subject to such conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought back.

9. Issue of Securities at a Premium

The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.

10. Issue of redeemable preference shares

The Company may, subject to the provisions of Section 55 of the said Act, issue preference shares which are liable to be redeemed and may redeem such shares in any manner provided in the said section and may issue shares up to the nominal amount of the shares redeemed or to be redeemed. Where the Company has issued redeemable preference shares the provisions of the said section shall be complied with. The manner in which such shares shall be redeemed, shall be as provided by Article 80 unless the terms of issue otherwise provide.

CALLS ON SHARES

32. Directors may make calls Calls may be made by installments

Subject to the provisions of Section 49 of the said Act, the Board may, from time to time, by means of resolution passed at its meetings make such calls as they may think fit upon the members in respect of moneys unpaid on the share held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board. A call may be made payable by installments.

33. Call to date from resolution

A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by members on a subsequent date to be specified by Directors.

34. Notice of call

Fourteen day's notice at least of every call made payable otherwise than on allotment shall be given by the Company in the manner hereinafter provided for the giving of notices specifying the time and place of payment, and the person to whom such call shall be paid. Provided that before the time for payment of such call the Board may by notice given in the manner hereinafter provided revoke the same. The Board may, from time to time at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who, the Board may deem fairly entitled to such extension; but no member shall be entitled to any such extension, except as a matter of grace and favour.

35. Provisions applicable to installments

If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by installments at fixed times, whether on account of the share or by way of premium, every such amount or installments shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installments accordingly.



36. *When interest on call or installment payable*

If the sum payable in respect of any call or such other amount or installments be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being of the share, in respect of which the call shall have been made, or such amount or installment shall be due, shall pay interest for the same, from the day appointed for the payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum, as shall from time to time be fixed by the Board. Nothing in this Article shall however, be deemed to make it compulsory on the Board to demand or recover any such interest, and the payment of such interest, wholly or in part, may be waived by the Board if they think fit so to do.

37. *Money due to members from the Company may be applied in payment of call or installment*

Any money due from the Company to a member may, without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.

38. *Part payment on account to call etc. not to preclude forfeiture*

Neither a judgement nor a decree in favour of the Company for calls of other moneys due in respect of any shares nor any part-payment or satisfaction there under nor 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 payment of any such money, shall preclude the forfeiture of such shares as hereinafter provided

No right to vote: The member making such advance shall not, however, be entitled to any voting rights in respect of the moneys so advanced by him until the same would, but for such payment, become presently payable.

FORFEITURE OF AND LIEN ON SHARES

41. *If call or installment not paid notice to be given to member*

If any member fails to pay any money due from him in respect of any call made or amount or installment as provided in Article 35 on or before the day appointed for payment of the same, or any such extension thereof as aforesaid or any interest due on such call or amount or installment or any expenses that may have been incurred

thereon, the Directors or any person authorised by them for the purpose may, at any time thereafter, during such time as such money remains unpaid, or a judgement or a decree in respect thereof remains unsatisfied in whole or in part, serve a notice in the manner hereinafter provided for the serving of notices on such member or any of his legal representatives or any of the persons entitled to the share by transmission, requiring payment of the money payable in respect of such share, together with such interest and all expenses (legal or otherwise) incurred by the Company by reason of such non-payment.

42. *Term of notice*

The notice shall name a day (not earlier than the expiration of fourteen days from the date of the notice) and a place or places on or before and at which the money due as aforesaid is to be paid. The notice may also state that in the event of the non-payment of such money at or before the time and the place appointed, the shares in respect of which the same owed will be liable to be forfeited.

43. *In default of payment shares may be forfeited*

If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which the notice is given may, at any time thereafter before payment of all calls or amounts or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.

44. *Notice of forfeiture Entry of forfeiture in register of members*

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 or to any of his legal representatives, or to any of the persons entitled to the share by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members. The provisions of this Article are, however, directory only and no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.



45. Forfeited shares to become property of the Company and may be sold etc.

Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same, either to the original holder thereof or to any other persons, and either by public auction or by private sale and upon such terms and in such manner as the Directors shall think fit.

46. Forfeiture may be remitted or annulled

In the meantime, and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit.

47. Members still liable to pay money due notwithstanding the forfeiture

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, remain liable to pay and shall forthwith pay to the Company all calls, amounts, installments, interest expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment, at the rates, not exceeding ten percent per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited, without any deduction or allowance for the value of the shares at the time to the forfeiture and the Board may enforce the payment thereof if they think fit (but without being under any obligation so to do) without entitling such member or his representative to any remission of such forfeiture or to any compensation for the same, unless the Directors shall think fit to make such compensation, which they shall have full power to do, in such manner and on such terms on behalf of the Company as they shall think fit.

48. Effect of forfeiture

The forfeiture of a share shall involve the extinction of all interest in and of all claims and demands against the Company of the member in respect of the share and all other right of the member incident to the share except only such of those rights as by these Article are expressly saved.

49. Surrender of shares

The Directors may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering those on such terms as they think fit.

50. Certificate of forfeiture

A certificate in writing, under signature of one Director and countersigned by any other person who may be authorised for the purpose by the Board, that the call, amount or installment in respect of a share was made or was due or the interest in respect of a call, amount or installment was or the expenses were payable, as the case may be, the notice thereof as aforesaid was given and default in payment was made and that the forfeiture of the share was made by a resolution of the Board to the effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to or interested in such share.

51. Title of Purchaser and allottee For forfeited Shares

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

52. Company's lien on shares

The Company shall have a first and paramount lien upon all the shares not being fully paid-up shares, registered in the name of each member (whether solely or jointly with another or others) and upon the proceeds of sale thereof, for all moneys from time to time due or payable by him to the Company for calls made and all amounts or installments as provided by Article 35 payable in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that Article 25 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board may at any time declare any shares to be exempt, wholly or partially from the provisions of this Article.



53. Lien enforced by sale

For the purpose of enforcing such lien, the Directors may sell, the shares subject thereto in such manner as they think fit and transfer the same to the name of the purchaser, without any consent and notwithstanding any opposition on the part of the indebted member or any other person or persons interested therein and a complete title to the shares which shall be sold and transferred shall be acquired by the purchaser, by virtue of such sale and transfer, against such indebted member and all persons claiming with or under him whether he may be indebted to the Company in point of fact or not. But no such sale shall be made until notice in writing stating the amount due or specifying the liability of engagement and demanding payment or fulfillment or discharge thereof and of the intention to sell in default shall have been served upon such member or his heirs, executors, administrators, representatives or persons and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice.

TRANSFER AND TRANSMISSION OF SHARES

57. Register of Transfers

The Company shall keep a book called the 'Register of Transfers' and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share in the Company.

58. Instrument of transfer to be executed by transferor and transferee

No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer (which shall be in the form specified in the Rules) shall be duly stamped, dated and shall be executed 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, several executors or administrators of a deceased member proposing to transfer the shares registered in the name of such deceased member shall all sign the instrument of transfer in respect of the share as if they were the joint-holders of the share. The instrument of transfer shall specify the name, address and occupation, if any, of the transferee.

59. Death of one or more joint holders

In the case of the death of any one or more of the persons named in the Register 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 the deceased joint-holder from any liability on the shares held by him jointly with any other person.

60. Title of share Of deceased member

- 1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- 2) Where there is no, nominee, the executors or administrators of a deceased member not being one of several joint-holders shall be the only persons recognised by the Company as having any title to the shares registered in the name of such deceased member, and the Company shall not be bound to recognise such executors or administrators, unless they shall have first obtained probate or letters of administration or other legal representation, as the case may be, provided nevertheless, the Directors, in any case where they in their absolute discretion think fit, may dispense with the production of Probate or Letters of Administration or such other legal representation, upon such terms as to indemnity or otherwise as they may deem fit and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member as a member in respect of such shares.

61. Registration Of person Entitled to Shares Otherwise Than by Transfer (transmission clause)

Subject to the provisions of the last preceding Article, any person to whom the right to any share has been transmitted in consequence of the death or insolvency of any member or otherwise by operation of law may, with the consent of the Board (which they shall not be under any obligation to give) and upon his producing such evidence that he sustains the character in respect of which he proposes to act under the Article and of his title as the Directors think sufficient be registered as a member in respect of such shares. This clause is hereinafter referred to as the 'transmission clause'. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of effecting the transmission.



62. Evidence of transmission to be verified

Every transmission of a share shall be verified in such a manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient; provided nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

63. Rights of such person

A person entitled to share by transmission may, until the Directors otherwise determine as provided in Article 129, receive and give discharge for any dividends, bonuses or other moneys payable in respect of the share, but he shall not be entitled to vote at any meetings of the Company and to any of the rights and privileges of a member, unless and until he shall have become a member in respect of the shares.

66. Directors may decline to register transfers

The Board may, at its absolute and uncontrolled discretion and without assigning or being under any obligation to give any reason, decline to register or acknowledge any transfer or transmission of shares and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them or in the case of shares not fully paid-up whilst any moneys called or payable at a fixed time in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board. Nothing in Section 56 of the Act shall prejudice this power to refuse 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 registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee, but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board to refuse registration of any further shares applied for. If the Board refuses to register the transfer or transmission of any shares notice of the refusal shall within two months from the date on which the instrument of transfer or intimation of transmission was delivered to the Company be sent to the Transferee and the Transferor or to the person giving intimation of the transmission, as the case may be.

ALTERATION OF SHARE CAPITAL

72. Company may alter its Capital in certain ways

The Company may by Ordinary Resolution so alter the conditions of its Memorandum of Association as :

- 1) to increase its share capital by such amount as it thinks expedient by issuing new shares;
- 2) to consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 3) to convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denominations;
- 4) to sub-divide its shares or any of them into shares of smaller amount than is fixed by its Memorandum of Association, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
- 5) to cancel any shares which, at the date of the passing of the resolution in that behalf, 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.

74. Further Issue of capital

- 1) Where it is proposed to increase the subscribed capital of the Company by the issue of new shares:
 - a) such new shares shall be offered to the persons who, at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit to the capital paid-up on these shares at that date;
 - b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being 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;
 - c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice shall contain a statement of this right;
 - d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.



- e) To employees under a scheme of employees' stock option, subject to Special Resolution passed by the company and subject to such conditions as may be specified in the relevant Rules.
- f) To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b), 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 such conditions as may be specified in the relevant Rules
- 2) Whenever any shares are to be offered to the members the Directors may dispose of any such shares which, by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any other difficulty in apportioning the same cannot in the opinion of the Directors be conveniently offered to the members.
- 3) The right to issue further shares provided in this clause, shall include a right to the Company, to issue any instrument, including Global Depository Receipt.

REDUCTION OF CAPITAL

79. Reduction of capital

The Company may from time to time by Special Resolution, in such manner specified in the Act and subject to such consents as may be required under any other law for the time being in force, reduce in any manner:

- 1) its share capital
- 2) any capital redemption reserve account; or
- 3) any securities premium account.

VOTING RIGHTS AND PROXY

106. Indebted members not to vote

No member shall be entitled to exercise any voting right on any question either personally or by proxy or upon poll (including voting by electronic means) 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 being a ground set out in Article 106

107. Restrictions on exercise of voting rights in other cases to be void

A member is not prohibited from exercising his voting right on the ground that he has held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not

108. Vote of person of unsound mind

A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or at a poll by his committee or other legal guardian and not otherwise, and any such committee or guardian may, on a poll, vote by proxy.

109. Votes in respect of Securities under dispute

Notwithstanding anything contained in this Articles, where the title to any Securities is under dispute before any court, where no injunction subsists (or direction made) as to the exercise of voting rights or other rights of a member including the rights attached to such Securities, the Board shall be entitled to suspend any such right aforesaid.

110. Representation of corporations

A Member being a Body Corporate (whether a company within the meaning of the said Act or not) may by resolution of its Board of Directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company. 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 which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company.

111. Number of votes to which member is entitled

- 1) Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company every member, entitled to vote under the provisions of these presents and not disqualified by the



provisions of Articles 106, 108 and 109 or by any other Article shall on a show of hands have one vote and upon a poll every member, present in person or proxy or agent duly authorised by a power-of-attorney or representative duly authorised and not disqualified as aforesaid, shall have voting rights in proportion to his share of the paid-up equity capital of the Company subject however to any limits imposed by law. But no member shall have voting right in respect of any moneys paid in advance as provided by Article 40(b).

- 2) ***No voting by proxy on show of hands*** :No member not personally present shall be entitled to vote on a show of hands unless such member is a Body Corporate present by proxy or by a representative duly authorised under Section 113 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.
- 3) A Member may exercise his vote, in respect of items of business to be transacted for which notice is issued, by electronic means in accordance with Section 108, and shall vote only once.

CAPITALISATION OF PROFITS AND DIVIDENDS

121. The Company in General Meeting may declare a dividend

The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, and may fix the time for the payment thereof.

122. Equal rights of Shareholders

Any share holder whose name is entered in the Register of Members of the Company shall enjoy the rights and be subject to the same liabilities as all other shareholders of the same class.

123. Power of Directors to limit dividend

No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

124. Dividends In proportion to the amount paid up.

Unless the Company otherwise resolves, dividends shall be paid in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some share than on others. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall unless otherwise resolved be only entitled the holder of such share to a proportionate amount of such dividend from the date of payment.

125. Capital advanced on Interest not to earn dividends

Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits.

126. Dividends out of profits only and not to carry interest what to be deemed profits

No dividends shall be payable except out of profits of the Company of the year or any other undistributed profits and no dividend shall carry interest against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

127. Ad-interim dividend

The Directors may, from time to time, declare and pay to the members such interim dividend as in their judgment the position of the Company justifies.

128. No member to receive dividend while indebted to the Company

No member shall be entitled to receive payment of any dividend in respect of any share or shares on which the Company has a lien, or whilst any amount due or owing from time to time to the Company, either alone or jointly with any other person or persons, in respect of such share or shares, or on any other account whatsoever, remains unpaid, and the Directors may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.



129. Retention of dividends until completion of transfer under the transmission clause

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under the same clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same

130. Transfer must be registered to pass right to dividend

- 1) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- 2) No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his bankers or any other person as permitted by applicable law.

131. Dividend when and how to be paid

All dividends shall be paid by the cheque, or warrant in respect thereof shall be posted within thirty days of the date on which such dividend is declared by the Company. 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 lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.

132. Notice of dividends

Notice of the declaration of any dividend whether interim or otherwise, shall be given to the members in the manner hereinafter provided for giving of notice to member.

133. Production of share certificate when applying for dividends

The Directors may, if they think fit, call upon the members, when applying for dividends, to produce their share certificates to such person or persons appointed by them in that behalf.

134. Any one of Joint-holders of share may receive dividends

Any one of several persons who are registered as joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

135. Dividend payable in cash

No dividend shall be payable except in cash. Provided that nothing herein shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company. Provided further that any dividend payable in cash may be paid in cheque or warrant or in any electronic mode to the Member entitled to the payment of the dividend.

136. Dividend and call together Set off allowed

Any General Meeting declaring a dividend may make a Call on the Members of such amount as the meeting fixes and so that the Call be made payable at the same time as the dividend, and the dividend may, if so resolved by the Company in General Meeting be set off against the Calls.

137. Capitalisation

- 1) A General Meeting of the Members, In a meeting in person or proxy or, through Postal Ballot or, by any other means, as may be permitted may on the recommendation of the Board, direct capitalisation of the whole or any part of the undivided profits for the time being of the Company or the whole or any part of the Reserve Fund or other funds of the Company including the moneys in the Securities Premium Account and the Capital Redemption Reserve Account or the premiums received on the issue of any shares, debentures or debenture-stock of the Company and that such sum be accordingly set free for the purpose, (i) by the issue and distribution, among the holders of the shares of the Company or any of them, in accordance with their respective rights and interests and in proportion to the amounts paid or credited as paid up thereon, of paid-up shares, debentures, debenture-stock bonds or other obligations of the Company, or (ii) by crediting any shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid up thereon respectively, with the whole or any part of the same.



- 2) For the purposes above set out the Company may, subject to the provisions contained in section 63, apply: (i) its free reserves, (ii) the Securities Premium Account subject to the provisions of Section 52(2) of the said Act; (iii) the Capital Redemption Reserve Fund subject to the provisions of Section 55(4) of the said Act; and (iv) such other reserves or account as may be applied for issue of bonus shares.

138. Date for determination of Members entitled to bonus, dividend and other actions of the company.

The Board shall have the right to fix a date for the purpose of determining the Members who are entitled to the payment of the dividend, or shares pursuant to the capitalisation of reserves, and for any other action of the Company that requires determination of the details of Members.

BOARD OF DIRECTORS, THEIR QUALIFICATION AND REMUNERATION

148. Number of Directors

The number of Directors shall not be less than four and not more than fifteen Directors. The Company shall have the power to increase the number of Directors beyond 15 after passing a Special Resolution. The following shall be the first directors :

1. Rohit Gupta
2. Suraj Prakash Gupta

149. Debenture Directors

If and when the Company shall issue debentures the holders of such debentures, or if and when the Company shall create a mortgage of any property, the mortgagee or mortgagees to whom such property shall be mortgaged, may have the right to appoint and nominate and from time to time remove and re-appoint a Director or Directors, in accordance with the provisions of the Trust Deed securing the said debentures, or the deed creating such mortgages, as the case may be. A Director so appointed under this Article, is herein referred to as "The Debenture Director" and the term "Debenture Director" means a Director for the time being in office under the Article, and he shall have all the rights and privileges of an ordinary Director of the Company, except in so far as is otherwise provided for herein or by the Trust Deed securing the-Debentures or the deed creating the mortgage, as the case may be.

150. Nominee Director

Any deed for securing loans by the Company from financial corporations may be so arranged to provide for the appointment from time to time by the lending financial corporation of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re-appoint any Director so appointed. A Director appointed under this Article is herein referred as "Nominee Director" and the term "Nominee Director" means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending corporation and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

151. Qualification of a Director

No Director of the Company be required to hold any qualification shares

APPOINTMENT AND ROTATION OF DIRECTORS

157. Appointment of Directors

A person shall not be capable of being appointed Director of the Company, if :

- a) he has been found to be unsound mind by court of competent jurisdiction.
- b) he is an undischarged insolvent;
- c) he has applied to be adjudicated as an insolvent and his application is pending;
- d) he has been convicted by a Court in India of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than 6 months, and a period of five years has not elapsed from the date of expiry of the sentence;
- e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment for the call; or
- f) an order disqualifying him for appointment as Director has been passed by a Court or Tribunal and the order is in force,
- g) he has been convicted of the offence dealing with related party transactions under Section 188; or.



h) he has not complied with sub-section 3 of section 152.

158. Appointment of directors and proportion to retire by rotation

- 1) The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors
- 2) Not less than two-thirds of the total number of Directors of the Company shall:
 - a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
 - b) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.
Explanation:-for the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company.
- 3) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

159. Provision regarding Directors retiring by rotation

- 1) Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.
- 2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.
- 3)
 - i) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto
 - ii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.
 - iii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
 - 1) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - 2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
 - 3) he is not qualified or is disqualified for appointment;
 - 4) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act; or
 - 5) Section 162 is applicable to the case.

160. Removal of Director

The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be reappointed a Director by the Board of Directors.

161. Notice of candidature when to be given

A person who is not a retiring Director shall subject to the provisions of the said Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Directors or as the case may be, the intention of such Member to propose him as a candidate for the office, along with deposit of one lakh rupees or such other amount as may be specified in the relevant Rules. The amount so deposited shall be refunded to such person or, as the case may be, to the Member, if the person proposed gets elected as a Director or gets more than 25% of total valid votes.



162. Consent of candidate for Directorship to be filed with the Registrar

A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules.

163. Appointment of Directors to be voted on individually

- 1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that is shall be so made has first been agreed to by the meeting without any vote being given against it.
- 2) A resolution moved in contravention of above clause shall be void, whether or not objection was taken at the time to its being so moved;
- 3) For the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointing shall be treated as a motion for his appointment.

164. Directors may appoint additional Directors

The Directors shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next following Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director.

165. Filling up of casual vacancies

- 1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.
- 2) Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it has not been vacated as aforesaid.

166. Appointment of Alternate Director

- 1) The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India.
- 2) No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director.
- 3) An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly.
- 4) An Alternate Director shall vacate office if and when the Original Director returns to India.
- 5) If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.
- 6) An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place.

167. Directors may act notwithstanding vacancy

The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose.

BORROWING POWERS OF DIRECTORS

185. Power to borrow Conditions on which money may be borrowed

- 1) Subject to clause (2) hereof the Directors may, from time to time at their discretion raise or borrow, or secure the repayment of any loan or advance taken by the Company. Any such moneys may be raised and the payment or repayment of such moneys maybe secured in such manner and upon such terms and conditions in all respects as the Directors may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures of debenture-stock 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, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

- 2) **Restrictions on powers of Board:** The Board of Directors shall not, except with the consent of the Company in General Meeting, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

No debt by the Company in excess of limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that Article has been exceeded.

- 3) Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company, shall be under the Control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

MANAGING DIRECTORS

191. Power to appoint Managing Director

Subject to the provisions of Section 196, 197, and 203 of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director, Joint Managing Director or Managing Directors, Whole Time Director, Manager or Chief Executive Officer of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office but in any case not exceeding five years at a time and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

193. Remuneration of Managing Director

The remuneration of a Managing Director and Joint Managing Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participating in profits or by way or all of those modes or in other forms shall be subject to the limitations prescribed in Section 197 of the Act.

194. Powers and duties of Managing Directors

The Directors may from time entrust to and upon a Managing Director or Joint Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers, unless and until otherwise determined a Managing Director may exercise all the powers exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Directors themselves.

SEAL

199. The Seal, its custody and use

- 1) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereto and the Directors shall provide for the safe custody of the seal for the time being. The seal of the Company shall never be used except by the authority of a resolution of the Board of Directors and in presence of one of Directors or such other persons as the Board may authorise who will sign in token thereof and countersigned by such officers or persons at the Directors may from time to time resolve.
- 2) Any instrument bearing the Common Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

SECURITY CLAUSE

207. Secrecy Clause

No member shall be entitled to visit any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's working, trading or any matter which is or may be in the nature of a secret, mystery of trade or secret process, which may relate to the conduct of the business of that Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public



WINDING-UP

208. If upon the winding-up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed amongst the members in proportion to the capital paid or which ought to have been paid-up on the shares at the commencement of the winding-up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively, other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any rights greater than those conferred by the terms and conditions of issue.

209. *Distribution of assets in specie*

If the Company shall be wound-up whether voluntarily or otherwise, the following provisions shall take effect:

- 1) The Liquidator may, with the sanction of a Special Resolution, divide among the contributories in specie or kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories or any of them, as the Liquidator with the like sanction shall think fit.
- 2) If thought fit any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby shall have the right to dissent and shall have ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the said Act.
- 3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares, may, within seven days after the passing of the Special Resolution by notice in writing, direct the Liquidator to sell his proportion and pay him the proceeds and the Liquidator shall, if practicable, act accordingly.

210. *Liquidator may sell for shares in another company*

Any such Liquidator may, irrespective of the powers conferred upon him by the said Act and as an additional power conferring a general or special authority, sell the undertaking of the Company or the whole or any part of its assets for shares fully or partly paid-up or the obligations of or other interest in any other company and may by the contract of sale agree for the allotment to the members directly of the proceeds of sale in proportion to their respective interests in the Company and in case the shares of this Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company, to obligations of the purchasing company or of shares of the purchasing company with preference or priority over or with a larger amount paid-up than the shares allotted in respect of ordinary shares of this Company and may further by the contract, limit a time at the expiration of which shares, obligations or other interests not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the Liquidator.

211. *Sale under Sections 319 of the Companies Act, 2013*

Upon any sale under the last preceding Article or under the powers given by Section 319 of the said Act, no member shall be entitled to require the Liquidator either to abstain from carrying into effect the sale or the resolution authorising the same or to purchase such member's interest in this Company, but in case any member shall be unwilling to accept the share, obligations or interests to which under such sale he would be entitled, he may, within seven days of the passing of the resolution authorising the sale, by notice in writing to the Liquidator, require him to sell such shares, obligations or interests and thereupon the same shall be sold in such manner as the Liquidator may think fit and the proceeds shall be paid over to the member requiring such sale.



SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at, Sarveshwar House, below Gummat, Jammu 180001, Jammu and Kashmir, India, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A Material Contracts to the Issue

1. Issue Agreement dated December 20, 2017, entered into among our Company and the BRLMS.
2. Agreement dated December 22, 2017, entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated April 21, 2017 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated April 11, 2017 entered into among our Company, CDSL and the Registrar to the Issue.
5. Market Making Agreement dated February 02, 2018 between our Company, Market Maker and the BRLMS.
6. Escrow Agreement dated February 02, 2018 entered into among our Company and the BRLMS, the Syndicate Members, Escrow Collection Banks, and the Registrar to the Issue.
7. Syndicate Agreement dated February 02, 2018 entered into among our Company, the BRLMS and Syndicate Members.
8. Underwriting Agreement dated February 02, 2018 entered into among our Company, the BRLMS and Syndicate Members.

B Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated August 3, 2004 and a fresh certificate of incorporation dated June 29, 2010 pursuant to conversion of our Company to public limited company.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated June 19, 2017 and July 13, 2017, respectively, authorizing the Issue and other related matters.
4. Resolution of the Board of Directors of our Company dated December 26, 2017 approving the Draft Red Herring Prospectus and amendments thereto.
5. Resolution of the Board of our Company dated March 1, 2017 appointing Mr. Deepak Singhvi as the Chief Financial Officer of our Company.
6. Employment Agreement dated June 19, 2017 entered into by our Company and Mr. Rohit Gupta.
7. Employment Agreement dated June 19, 2017 entered into by our Company and Mr. Anil Kumar.
8. Employment Agreement dated January 28, 2017 entered into by our Company and Ms. Gayatri Tandon.
9. Copies of the annual reports of our Company for the five (5) fiscals immediately preceding the date of this Red Herring Prospectus i.e. for the year ended March 31, 2016, 2015, 2014, 2013 and 2012.
10. The examination reports of the Statutory Auditor, M/s. K R A & Co., Chartered Accountants, dated December 10, 2017 on our Company's restated financial information, and statement of tax benefits dated December 10, 2017 included in this Red Herring Prospectus.



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11. Consents of the Auditor, M/s. K R A & Co., Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Red Herring Prospectus and as an expert, as defined under Section 2(38) of the Companies Act 2013, in relation to their audit report dated December 10, 2017 on our restated financial information and the statement of tax benefits in the form and context in which it appears in this Red Herring Prospectus.
 12. Consents of Bankers to our Company, the lenders to the Company (*where such consent is required*), the BRLMS, Registrar to the Issue, Legal counsel, Directors of our Company, Chief Financial Officer and Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
 13. Consent of CRISIL Research to include excerpts from its report titled "CRISIL Research – Rice industry, November 2016" dated December 08, 2017.
 14. Copy of approval from NSE Limited by way of letter dated January 25, 2018, to use the name of NSE in this offer document for listing of Equity Shares on NSE EMERGE.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Suraj Parkash Gupta <i>Chairman</i>	Rohit Gupta <i>Managing Director</i>
Anil Kumar <i>Executive Director</i>	Gayatri Tandon <i>Executive Director</i>
Thyagarajan Kumaran <i>Independent Director</i>	Tej Partap <i>Independent Director</i>
Jagdish Lal Sharma <i>Independent Director</i>	

SIGNED BY CHIEF FINANCIAL OFFICER (CFO):

Deepak Singhvi

Date: February 12, 2018

Place: Jammu