



## SRI KRISHNA METCOM LIMITED

Our Company was incorporated as Sri Krishna Metcom Limited, as a public limited company, under the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2008, bearing registration number 013255, issued by the Registrar of Companies, Bihar and Jharkhand. Our Company has received the Certificate of Commencement of Business dated August 25, 2008 issued by the Registrar of Companies, Bihar and Jharkhand. The Corporate Identification Number of our Company is U15400JH2008PLC013255. For further details of our Company, please refer to the chapters titled 'General Information' and 'Our History And Certain Other Corporate Matters' beginning on page numbers 28 and 93, respectively, of the Prospectus.

**Registered Office:** 504, Mangal Murti Heights, 5th Floor, Rani Bagan, Harmu Road, Ranchi - 834001, Jharkhand

**Tel:** +91 651 2285853, **Fax:** +91 651 2283337, **Website:** www.skmltd.co.in **E-mail:** skmltd@gmail.com

**Company Secretary and Compliance Officer:** Ms. Namrata Maheswari

**PROMOTERS: MR. SUDHIR PRASAD SAHU, MR. YOGESH KUMAR SAHU, MR. GYAN PRAKASH SAHU AND SUDHIR PRASAD SAHU (HUF)**

### THE ISSUE

**PUBLIC OFFER OF 35,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF SRI KRISHNA METCOM LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹55/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹45/- PER EQUITY SHARE) AGGREGATING UP TO ₹1,925/- LAKHS ("OFFER") COMPRISING A FRESH ISSUE OF 6,00,000 EQUITY SHARES AGGREGATING UP TO ₹330 LAKHS BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 3,11,000 EQUITY SHARES BY SUDHIR PRASAD SAHU (HUF), 9,00,000 EQUITY SHARES BY MRS. KRISHNA DEVI, 6,00,000 EQUITY SHARES BY MRS. BINITA SAHU, 6,00,000 EQUITY SHARES BY MRS. EKTA SAHU, 2,44,000 EQUITY SHARES BY YOGESH KUMAR SAHU (HUF) AND 2,45,000 EQUITY SHARES BY GYAN PRAKASH SAHU (HUF) (COLLECTIVELY REFERRED TO AS THE "PROMOTER GROUP SELLING SHAREHOLDERS") AGGREGATING 29,00,000 EQUITY SHARES AGGREGATING UP TO ₹1,595 LAKHS BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE")**

**THE OFFER COMPRISES OF 1,80,000 EQUITY SHARES OF FACE VALUE ₹10/- EACH FOR CASH AT A PRICE OF ₹55/- PER EQUITY SHARE, AGGREGATING ₹99 LAKHS WHICH WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF 33,20,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹55/- PER EQUITY SHARE, AGGREGATING ₹1,826 LAKHS IS HEREINAFTER REFERED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.45% AND 25.09%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE OFFER IS BEING MADE IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

For further details please refer the section titled 'SECTION VII – Issue Information' beginning on page 159 of the Prospectus

All potential investors shall participate in the Issue through Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" on page 165 of this Prospectus.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE OFFER PRICE OF ₹55/- IS 5.5 TIMES OF THE FACE VALUE**

### RISKS IN RELATION TO FIRST OFFER

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is ₹10 and the Offer price of ₹55/- per Equity Share is 5.5 times of the face value. The Offer Price (as determined by our Company and the Promoter Group Selling Shareholders in consultation with the Lead Manager, as stated under the chapter titled 'Basis for Offer Price' beginning on page 66 of the Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 12 of the Prospectus.

### COMPANY'S AND PROMOTER GROUP SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. Further, the Promoter Group Selling Shareholders, severally and not jointly, accept responsibility for and confirm only to the extent of the information in the statements specifically confirmed or undertaken by such Selling Shareholders and the respective proportion of the Offered Shares offered by them in this Prospectus

### LISTING

The Equity Shares of our Company offered through this Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received an in-principle approval letter dated August 09, 2017, from National Stock Exchange of India Limited for using its name in this offer document for listing of our shares on EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Offer EMERGE Platform of National Stock Exchange of India Limited shall be the Designated Stock Exchange.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



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Kolkata-700020

**Tel:** + 9133 40501500

**Fax:** + 9133 40501549

**E-mail:** ib@microsec.in

**Investor Grievance Email:** investor.relation@microsec.in

**Website:** www.microsec.in

**Contact Person:** Mr. Manav Goenka

**SEBI Registration No:** INM000010791



**Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247 Park, L.B.S. Marg, Vikhroli (West),  
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**Fax:** +91 022 49186195

**Email:** skml.ipo@linkintime.co.in

**Investor grievance e-mail:** skml.ipo@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Ms. Shanti Gopalkrishnan

**SEBI Regn. Number:** INR000004058

### OFFER PROGRAMME

**OFFER OPENS ON:**

**SEPTEMBER 14, 2017**

**OFFER CLOSES ON:**

**SEPTEMBER 18, 2017**

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

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



## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

#### General Terms

Term	Description
“Sri Krishna Metcom Limited”, “We” or “us” or “our Company” or “the Issuer” or “the Company”	Unless the context otherwise requires, refers to Sri Krishna Metcom Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 504, Mangal Murti Heights, 5th Floor, Rani Bagan, Harmu Road, Ranchi - 834001, Jharkhand

#### Company Related and Selling Shareholders Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, requires, refers to the Articles of Association of Sri Krishna Metcom Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Auditors	The Statutory Auditors of our Company, being M/s N K Kejriwal & Co., Chartered Accountants, Ranchi
Board of Directors / Board	The Board of Directors of Sri Krishna Metcom Limited, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 1956 and amendments thereto including provisions of Companies Act, 2013, wherever notified.
Company Secretary and Compliance Officer	Ms. Namrata Maheswari
Depositories Act	The Depositories Act, 1956, as amended from time to time
Director(s)	Director(s) of Sri Krishna Metcom Limited unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
Equity Shareholders	Persons holding equity shares of our Company.
Group Companies	Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, and disclosed in the chapter titled “Our Group Entities” beginning on page 114 of the Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Sri Krishna Metcom Limited
Non Residents	A person resident outside India, as defined under FEMA
NRI(s) / Non Resident Indians	A person resident outside India, as defined under FEMA
NRI(s) / Non Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign (Registration and Regulation) Regulations, 2000
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters or Our Promoters	Mr. Sudhir Prasad Sahu, Mr. Yogesh Kumar Sahu , Mr. Gyan Prakash Sahu and Sudhir Prasad Sahu (HUF)
Registered Office	The Registered and Corporate Office of our company which is located at 504, Mangal Murti Heights, 5th Floor, Rani Bagan, Harmu Road, Ranchi - 834001, Jharkhand

Terms	Description
RoC	Registrar of Companies, Jharkhand, situated at Ranchi
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to
Selling Shareholders / Promoter Group Selling Shareholders	Sudhir Prasad Sahu (HUF), Mrs. Krishna Devi, Mrs. Binita Sahu, Mrs. Ekta Sahu, Yogesh Kumar Sahu (HUF) and Gyan Prakash Sahu (HUF)
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited

### Offer Related Terms

Terms	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful applicants.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted/transferred
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being HDFC Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Offer Procedure” beginning on page 165 of the Prospectus.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.



Terms	Description
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Emerge Platform of NSE	The Emerge Platform of NSE for Listing of Equity Shares offered under Chapter XB of SEBI (ICDR) Regulations.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 35,00,000 Equity Shares of face value of ₹10/- each fully paid of our Company for cash at a price of ₹55/- per Equity Share (including a premium of ₹45/- per Equity Share) aggregating ₹1,925/- Lakhs comprising of a fresh issue of 6,00,000 equity shares aggregating up to ₹330/- lakhs by our Company and an offer for sale of 3,11,000 equity shares by Sudhir Prasad Sahu (HUF), 9,00,000 equity shares by Mrs. Krishna Devi, 6,00,000 equity shares by Mrs. Binita Sahu, 6,00,000 equity shares by Mrs. Ekta Sahu, 2,44,000 equity shares by Yogesh Kumar Sahu (HUF) and 2,45,000 equity shares by Gyan Prakash Sahu (HUF).
Offer Agreement	The agreement dated July 6, 2017, between our Company, Selling Shareholders and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription.
Issue Opening Date	The date on which Issue opens for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under the Prospectus being ₹55/-per Equity Share of face value of ₹10/- each fully paid.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being ₹330.00 Lakhs.
Offer for Sale	Sale by Selling Shareholders of 29,00,000 Equity Shares of face value of ₹10/- each fully paid of our Company for cash at a price of ₹55/- per Equity Share (including a premium of ₹45/- per Equity Share) aggregating ₹1,595/- Lakhs
Offer Price	The price at which the Equity Shares will be transferred and Allotted in terms of the Prospectus being ₹55/-
LM / Lead Manager	Lead Manager to the Issue, in this case being Microsec Capital Limited
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Makers appointed by our Company from time to time, Microsec Capital Limited, who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered into between the Lead Manager, Market Maker and our Company dated July 6, 2017.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 33,20,000 Equity Shares of ₹10 each of Sri Krishna Metcom Limited at ₹55 (including share premium of ₹45) per Equity Share aggregating to ₹1,826 Lakhs
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Offer opening and closing dates and other information
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 Lakhs, pension fund with minimum corpus of ₹2,500 Lakhs, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Offer from which the refunds of the whole or part of the Application Amount (excluding to

Terms	Description
	the ASBA Applicants), if any, shall be made
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to the Offer being Link Intime India Private Limited
Regulations/ICDR Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹2,00,000
Selling Shareholders	Sudhir Prasad Sahu (HUF), Mrs. Krishna Devi, Mrs. Binita Sahu, Mrs. Ekta Sahu, Yogesh Kumar Sahu (HUF) and Gyan Prakash Sahu (HUF)
SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html</a> or at such other website as may be prescribed by SEBI from time to time.
SME Platform of NSE	The SME Platform of NSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
Underwriters	Microsec Capital Limited
Underwriting Agreement	The Agreement entered into between the Underwriters, our Company and the Selling Shareholders dated July 6, 2017.
Working Days	Unless the context otherwise requires: Working Days, shall be all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

#### Technical / Industry Related Terms

Term	Description
GDP	Gross Domestic Product; the gross Domestic Product (GDP) or gross domestic income (GDI) is the amount of goods and services produced in a year, in a country. It is the market value of all final goods and services made within the borders of a country in a year.
CAGR	Compound Annual Growth Rate.
CSO	Central Statistical Organisation
GOI	Government of India
BG	Bank Guarantee
CLRA	Contract Labour ( Regulation and Abolition) Act, 1970
EPCG	Export Promotion Capital Goods Scheme
FDI	Foreign Direct Investment
LC	Letter of Credit
NSDC	National Skill Development Council
RBI	Reserve Bank of India
GBS	Gross Budgetary Support
EBR	Extra-Budgetary Resources
RONW	Return on Net Worth
SSI	Small Scale Industry
SOP	Standard Operating Procedure
IT	Information Technology
SEZ	Special Economic Zone
PE	Private Equity
O&M	Operations and Maintenance
VCF	Venture Capital Funds

## Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NSE	The National Stock Exchange of India Limited
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRE Account	Non Resident External Account
NRI	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion

Abbreviation	Full Form
₹ or Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Notwithstanding the foregoing:

1. In the section titled '*Main Provisions of the Articles of Association*' beginning on page number 211 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '*Summary of Our Business*' and '*Our Business*' beginning on page numbers 22 and 76 respectively, of the Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '*Risk Factors*' beginning on page number 12 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '*Statement of Tax Benefits*' beginning on page number 68 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page number 137 of the Prospectus, defined terms shall have the meaning given to such terms in that section.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data included in the Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditors, set out in the section titled 'Financial Information' beginning on page 120 the Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Information' beginning on page 120 of the Prospectus.

### Currency and units of presentation

In the Prospectus, references to "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S. \$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

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

### Industry and Market Data

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

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

## FORWARD - LOOKING STATEMENTS

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

These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Adverse natural calamities having significant impact on agriculture sector in the State of Jharkhand;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page numbers 12, 76 and 137, respectively of the Prospectus.

Forward looking statements reflects views as of the date of the Prospectus and not a guarantee of future performance. 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. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

## **SECTION II - RISK FACTORS**

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 76 and 137, respectively, of the Prospectus as well as the other financial and statistical information contained in the Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Information' beginning on page number 120 of the Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in the Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

*The Prospectus also 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 many factors, including the considerations described below and elsewhere in the Prospectus. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

### **Materiality**

*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

### **INTERNAL RISKS**

#### **A. Business Risks/ Company specific Risk**

- 1. We do not own the Registered office and factory land. Any dispute in relation to lease of our premises would have an adverse effect on our business and results of operations.***

The Registered Office of our Company situated at 504, Mangal Murti Heights, 5th Floor, Rani Bagan, Harmu Road, Ranchi - 834001, Jharkhand, has been leased from Mr. Sudhir Prasad Sahu, our promoter, for a monthly rent of ₹ 15,000/-. Further, the land on which our processing plant is constructed in village Bandheya, Piska Nagri, Ranchi in the State of Jharkhand, has been leased from Mrs. Binita Sahu, Mrs. Ekta Sahu and Mrs. Rakhi Sahu, our promoter group, for a monthly rent of ₹ 1,15,690/-. The said office and plant are taken on lease or license and in case of non-renewal or termination of such deed or renewal on such terms and conditions that are unfavourable to our Company, we may suffer disruption in our Operations which may adversely affect our financial conditions.

- 2. Our Trademarks are not registered in name of our Company and we also use other trademarks for which application for registration is made in the name of our promoters.***

The Trademark "BABA" is registered under the Trade Marks Act, 1999 in the name of J R Rice India Private Limited which is used by our Company under a Licence Agreement dated May 9, 2015, valid for a term of 7 years. The promoters of our Company has permitted the use Trademarks "PANCHAKANYA", "SINGHAM" and "MIDDUBHAI" in our business and has issued No Objection Certificate dated May 2, 2017 for a period of 10 years. Other trademarks used by our Company are also applied for registration in the name of our promoters for which no formal agreement has been executed.

**3. *The agri-inputs business is highly seasonal in our country and such seasonality may affect our operating results.***

The agri-inputs business is highly seasonal in our country. Our raw material (i.e. Paddy) supplies are seasonal, however, our sales are throughout the year. Further, majority of the farmers depend on rain for cultivation. Generally rainfall occurs during Kharif season and hence, the timing and seasonality of rainfall also impacts the business of our Company. Thus, we are subject to seasonal factors, which make our operating results relatively unpredictable. We recognize revenues upon the sale of our products. While harvest and production of rice is seasonal, the sales are done throughout the year. This requires maintenance of high raw material and finished goods inventory. Therefore, there is need for large warehousing facilities. We require substantial working capital to make upfront cash payments at the mandis for bulk procurement and also for stocking of paddy.

**4. *Monsoons and climate conditions may adversely affect our business and our operating results.***

Agricultural commodities like rice are largely dependent on factors such as rain water availability, irrigational facilities, insect manifestation and change in crop patterns. These factors are beyond the control of our Company. Meteorologically, our country has diversified and different weather conditions at different places. Sometimes, one region receives very heavy rainfall whereas other region receives scant rainfall.

Adverse changes in climatic conditions and above factors can lead to a shortage of produce resulting in lower profitability and even loss in some cases. Any vagaries of weather and abnormal monsoon across the eastern region may ruin crops and will also affect the business of the Company.

**5. *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could harm our business.***

We monitor our inventory levels based on our own projections of future demand of our products. An inaccurate forecast of demand for our product can result in the unavailability/surplus of production. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. There may be more than one such inaccurate forecasts in one season. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

**6. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.***

As on March 31, 2017, we have ₹1,824.98 lakhs of outstanding debt on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- limiting our ability to borrow more money both now and in the future;
- increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.
- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;

If any of these risks were to materialise, our business and results of operations may be adversely affected. For more information about the indebtedness, please refer to sections titled “*Financial Information*” beginning on page 120 of the Prospectus.

**7. *In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For more information about the licenses required in our business and the licenses and approvals applied for, please refer to sections titled “*Government and other Approvals*” beginning on page 145 of the Prospectus.

- 8. Any manufacturing or quality control problems may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our financial results.**

Being in a food processing industry, we are subject to significant regulatory scrutiny. Our processing facility at village Bandheya, Piska Nagri, Ranchi in the State of Jharkhand must manufacture products in accordance with Good Manufacturing Practices stipulated by *fssai*, state level food administrations and other regulatory agencies, as applicable.

Furthermore, we are liable for the quality of our products for the entire duration of the shelf life of the product. After our products reach the market, certain developments could adversely affect demand for our products, including any contamination of our products by intermediaries and re-packaging of products that are already marketed. Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent government approved testing laboratories. If any such independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we would bear the expenses of replacing and testing such products, which could adversely affect our business, results of operations and financial condition.

- 9. If the Company is unable to adapt to technological changes, the Company's business could suffer.**

Our Company has established a Highly Automated Continuous Buhler's Swiss Technology Paddy Processing & Rice Milling Plant with an installed capacity of 16 Tones per hour. Our Company's future success will depend in part on the company's ability to respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails technical and business risks. Our Company cannot assure that it will successfully implement new technologies effectively or adapt the systems to emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our Company's business, financial performance and the trading price could be adversely affected.

- 10. If we are unable to retain the services of our Key Managerial Personnel, our business and our operating results could be adversely impacted.**

We are dependent on our Key Managerial Personnel for setting our strategic direction and managing our businesses. The loss of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

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

Our Company does not have any long term commitments with our customers for purchases of our products. As a result, we may be dependent on the recurring purchase orders received from time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability.

- 12. Our failure to procure raw material and packaging material adequately could result in unexpected shortfall, which could harm our business.**

We do not have any long term contract with suppliers for procurement of paddy, which is our prime raw material. We procure paddy from farmers directly at the mill gate. We also procure paddy through brokers /traders from Jharkhand, Bihar, Uttar Pradesh and West Bengal. The risk in procurement of paddy is that it is a seasonal product and if the rain does not support then there is a decrease in the quantity of paddy produced and hence shortfall will be there in market which results in increase in price of paddy. There is no assurance that our Company will continue to receive paddy sufficiently for our operations, which could have an adverse effect on our Company's operations and profitability.

We also do not have any long term arrangement with the suppliers of packing materials. Packing Material is directly procured from packing material manufacturers and we have multiple suppliers for supply of packing materials. We order them in advance after keeping an account of the delivery days. Our inability to get the packing material timely might impact our business.

- 13. Increase in Price of raw materials may adversely affect our profitability.**

Our main raw material is paddy. The price of paddy is regulated by the government as well as largely depends on the availability of paddy. The increase in prices of paddy increases our expenditure hence our profitability to the extent we are not able to procure at the best possible price.

- 14. Our inability to manage growth could disrupt our business and reduce our profitability.**

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**15. *This Issue also includes an offer for sale and the offer for sale does not entail an issuance of Equity Shares by our Company and consequently, we will not receive any proceeds from the Offer for Sale.***

This Offer is being made by Sudhir Prasad Sahu (HUF), Mrs. Krishna Devi, Mrs. Binita Sahu, Mrs. Ekta Sahu, Yogesh Kumar Sahu (HUF) and Gyan Prakash Sahu (HUF) (the Selling Shareholders) in addition to the fresh issue of equity share by our Company. Our Company will not receive any portion of the funds raised by the sale of Equity Shares through Offer for Sale in this Issue. One of the objects of the Issue is to achieve the benefits of listing of our Equity Shares and carry out the divestment of Equity Shares by the Selling Shareholders. Other than the listing fees and market making fees, all costs and expenses related to the Offer will be also borne by the Selling Shareholders in proportion to the number of Equity Shares offered by each of them along with the Company.

**16. *We face intense competition in our businesses, which may limit our growth and prospects.***

Our Company faces significant competition from other rice processing units. We compete on our product quality. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than our Company;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

Due to easy entry at low capacity levels, various players from the unorganised market present stiff competition to the existing companies. An increasing numbers of players with cheap variants of rice take up the market at lower prices. Many large players are also expanding capacities which could lead to increase in competition resulting in competitive pricing. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

**17. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into related party transactions with our Promoters and Promoters Group and Directors. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled “*Related Party Transactions*” at page 118 of this Prospectus.

**18. *Within the parameters as mentioned in the chapter titled ‘Objects of the Offer’ beginning on page 61 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

The fund requirement and deployment, as mentioned in the “Objects of the Offer” on page 61 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of capital funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds could adversely affect our growth plans. We meet our capital requirements through our internal accruals and debt. Any shortfall in our internal accruals and our inability to raise debt would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 61 of this Prospectus.

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

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Sudhir Prasad Sahu	3,85,663	10.48
Sudhir Prasad Sahu (HUF)	21,45,966	10.00
Yogesh Kumar Sahu	26,16,204	10.43
Gyan Prakash Sahu	28,24,530	10.41

For further details regarding average cost of acquisition of Equity Shares by our promoters in our Company, please refer to the chapters "Capital Structure" beginning on page 34 of this Prospectus.

- 21. Our business is subject to various operating risks, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.**

Our business operations are subject to operating risks such as performance below expected levels of output or efficiency of our employees. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown of business operations may have a material adverse effect on our business operations and financial conditions.

- 22. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.**

We have taken insurance cover in respect of our assets & leased premises which may not be adequate enough for covering the entire future unforeseen liabilities. We have not taken any insurance for any claims arising out of our product that might occur in the normal course of business. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time by the insurers. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our business operations and cash flows may be affected. For details on Insurance cover, please see "Insurance" the chapter titled "Our Business" beginning on page 76 of this Prospectus.

- 23. Any Penalty or demand raised by statutory authorities in future will affect our financial position of our Company.**

Our Company is engaged in processing of rice which attracts tax liability such as Goods and Service Tax and Income Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, ESIC, etc. Though, we have deposited the required returns and paid taxes thereon under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of our Company.

- 24. Post this Issue, our Promoters and Promoter Group will continue to hold majority shares in our Company.**

Post this Issue, our Promoters and Promoter Group will collectively own 73.55% of our Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain

control over our Company even if it is in its best interest. Our Promoters and Promoter Group may also influence our material policies in a manner that could conflict with the interests of our other shareholders.

**25. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. 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.

Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

For further details in this regard, please refer chapter titled “*Financial Indebtedness*” beginning on page 135 of this Prospectus.

**26. *Our employees may unionise in the future, thereby restricting the flexibility of our labour policies.***

As on date, our employees are not represented by any labour union. However, our employees may unionise in the future. In that case, there may be restrictions on the flexibility of our labour policies.

**27. *While filing the annual accounts of the Company for financial year 2015 with the ROC, the name of the company was inadvertently written wrongly in the attachment to the form filed.***

While filing the annual accounts of the Company for financial year 2015 with the ROC, the name of the Company was inadvertently mentioned as Baba Rice Mills Private Limited in the attachment to the form filed. We believe that it was a typing error in the name field only. The financial statements provided in the said attachment are pertaining to our company Sri Krishna Metcom Limited.

**B. Risk related to this Issue and our Equity Shares**

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

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

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

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

**30. *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 LM and will be based on numerous factors. For further information, see the section titled “*Basis for Offer Price*” on page 66 of this Prospectus. The Issue Price 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. There can be no assurances that investors who are allotted Equity Shares through the Issue

will be able to resell their Equity Shares at or above the Issue Price.

## EXTERNAL RISKS

- 1. Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian agriculture, economy and consequently impact our business and profitability.***

Natural calamities such as draughts, floods, and earthquakes could have a negative impact on the Indian economy and may cause suspension to our operations, which may adversely impact our business and our operating results. India's being a monsoon driven economy, climate change caused due to global warming bringing deficient / untimely monsoons could impact Government policy which in turn would adversely affect our business.

- 2. The Goods and Services Tax (GST) regimes by the Government of India may have material impact on our operations.***

The Government of India has enacted a comprehensive National Goods and Services Tax (GST) regime that will combine taxes and levies by the Central and State Governments into unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Given the limited availability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

- 4. Tax rates applicable to Our Company may increase and may have an adverse impact on our business.***

Any increase in the tax rates including surcharge and education cess applicable to us may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of such changes.

- 5. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.***

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. 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.

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

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

strategic partnerships, joint ventures, or capital commitments. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the chapter titled “General Information” beginning on page 28 of this Prospectus.

#### PROMINENT NOTES

1. The Public Issue of 35,00,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹55/- per Equity Share aggregating ₹1,925.00 Lakhs (“the Issue”). Issue of Equity Shares will constitute 26.45% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Offer” on page 27 of this Prospectus.
2. The net worth of our Company is ₹1,383.58 Lakhs, ₹1,280.75 Lakhs and ₹1,194.78 Lakhs as on March 31, 2017, March 31, 2016 and March 31, 2015 respectively. The book value of each Equity Share is ₹10.95, ₹10.14 and ₹9.46 as on March 31, 2017, March 31, 2016 and March 31, 2015 respectively as per the restated standalone financial statements of our Company. For more information, please refer to section titled “Financial Information” beginning on page 120 of this Prospectus.
3. The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Sudhir Prasad Sahu	3,85,663	10.48
Sudhir Prasad Sahu (HUF)	21,45,966	10.00
Yogesh Kumar Sahu	26,16,204	10.43
Gyan Prakash Sahu	28,24,530	10.41

4. For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “Related Party Transactions” beginning on page 118 of this Prospectus.
5. Except as disclosed in the chapter titled “Capital Structure”, “Our Promoters and Promoter Group” and “Our Management” beginning on page 34, 109 and 97 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
6. Except as disclosed in the chapter titled “Capital Structure” beginning on page 34 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
7. Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “General Information” beginning on page 28 of this Prospectus.
8. Investors are advised to refer to chapter titled “Basis for Offer Price” on page 66 of this Prospectus.
9. Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.
11. Except as stated in the chapter titled “Our Group Entities” beginning on page 114 and chapter titled “Related Party Transactions” beginning on page 118 of this Prospectus, our Group Entities have no business interest or other interest in our Company.
12. Investors may note that in case of over-subscription in the Issue, allotment to Retail Applicants and other Applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “Offer Structure” beginning on page 163 of this Prospectus.

## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

#### **Global Economy:**

After a lacklustre outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The Global Economy grew at 3.1 % in 2016, 3.2% in 2015. The expected growth rates for 2017 is 3.4% and that of 2018 is 3.6%.

The advance economies grew at 1.6% in 2016 compared to 2.1% in 2015. The advance economies are expected to grow at 1.9% in 2017 and 2.0% in 2018. This forecast is particularly uncertain in light of potential changes in the policy stance of the United States under the new administration. Growth projections for 2017 have also been revised upward for Germany, Japan, Spain, and the United Kingdom, mostly on account of a stronger-than-expected performance during the latter part of 2016. These upward revisions more than offset the downward revisions to the outlook for Italy and Korea.

The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in Emerging Market and Developing Economies (EMDE). EMDE growth is at 4.1 % in 2016, with India and China being major contributors to the growth. EMDE growth is projected to reach 4.5% for 2017 and a further pickup of 4.8 % in 2018. Chinese economy grew at 6.7% in 2016 as against 6.9% in 2015. The growth rate in China is expected to be 6.5% in 2017, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp contraction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices. The growth in five major ASEAN countries (Indonesia, Malaysia, Philippines, Thailand and Vietnam) remain unchanged at 4.8% both in 2015 and 2016. The expected growth rate for these countries is 4.9 in 2017 and 5.2% in 2018.

*Source: IMF World Economic Outlook 2017 (January '17 and April, 17)*

#### **Indian Agriculture Industry**

Agriculture plays a vital role in India's economy. 54.6% of the population is engaged in agriculture and allied activities (census 2011) and it contributes 17% to the country's Gross Value Added (current price 2015-16, 2011-12 series). Given the importance of agriculture sector through Pradhan Mantri Krishi Sinchai Yojana (PMKSY), to support organic farming through Paramparagat Krishi Vikas Yojana (PKVY) and to support for market to boost the income of farmers. Further, to mitigate risk in agriculture sector a new scheme "Pradhan Mantri Fasal Bima Yojana" (PMFBY) has been launched for implementation from Kharif 2016.

As per the land use statistics 2013-14, the total geographical area of the country is 328.7 million hectares, of which 141.4 million hectares is the reported net sown area and 200.9 million hectares is the gross cropped area with a cropping intensity of 142 %. The net sown area works out to be 43% of the total geographical area. The net irrigated area is 68.2 million hectares.

#### **Rice**

India is one of the major rice producing, consuming and exporting countries in the world. India continued to be the world's largest rice exporter for the fourth consecutive year. India has exported about 42MT by averaging 10.5-11 MT (25% of World Trade) annually during the last four years since 2011.

It has a significant competitive edge in rice exports due to combination of external factors, domestic market dynamics, high yielding and better paddy quality, low cost of paddy production and efficient execution of contracted business both from east and west coast ports of India. India's rice industry has seen a transformation in the last decade, with growth of branded business in the domestic market and a strong impetus to export. This is reflected in the growth rates of leading Indian rice companies, with CAGRs ranging between 20% and 30% in value terms over the last four years.

Domestic business has also become more attractive in India with growth in branded rice and modern retail. Due to its importance as an essential food grain with high price sensitivities, rice in the past was perceived as a low engagement category from the consumers' buying perspective. Driven by increases in disposable incomes, urbanisation, women's participation in the workforce and a younger population, consumer lifestyles have changed over the last one-and-a-half decades. People now have a higher propensity to spend, paired with a desire for convenience, and increased availability and access to quality products.



The cereals segment is seeing traction towards better-quality and premium products. This is evident in the rice category, as consumers are shifting their purchasing patterns from loose rice to packaged, branded products with better colour, grain size and improved post-cooking attributes, such as aroma and taste.

### **Basmati**

India is the leading exporter of the Basmati Rice to the global market. The country has exported 4.04 MT of Basmati Rice to the world for the worth of Rs. 22718.44 crores during the year 2015-16.

Major Export Destinations (2015-16): Saudi Arabia, Iran, United Arab Emirates, Iraq and Kuwait.

(Source: [http://apeda.gov.in/apedawebsite/SubHead\\_Products/Basmati\\_Rice.htm](http://apeda.gov.in/apedawebsite/SubHead_Products/Basmati_Rice.htm))

### **Non- Basmati**

The country has exported 6.36 MT of Non Basmati Rice to the world for the worth of Rs. 15129.09 crores during the year 2015-16.

Major Export Destinations (2015-16): Senegal, Benin, Nepal, Cote D Ivoire and Guinea.

(Source: [http://apeda.gov.in/apedawebsite/SubHead\\_Products/Non\\_Basmati\\_Rice.htm](http://apeda.gov.in/apedawebsite/SubHead_Products/Non_Basmati_Rice.htm))



## SUMMARY OF OUR BUSINESS

### OVERVIEW

Our Company was incorporated as Sri Krishna Metcom Limited, as a public limited company, under the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2008. Our Company is in the business of processing of non-basmati rice and basmati rice in India. We are the one of the largest processors of non-basmati rice with a milling capacity of 350 Metric tons per day in the State of Jharkhand. We process varieties of rice with the help of state of the art plant and machinery of International Standards i.e. Automatic Ultra Modern State of Art Buhler's Swiss Technology Rice Mill. We serve to our consumers healthy, hygienic, tasty and nutrient rice.

We have started commercial production in November, 2013. Today, our Company is a processor and supplier of the varieties of rice like Long Grain, Medium Grain, Short Grain, Minicut, Sharbati, Banskati, Swarna, Sonam, Katarni and Sonachur / Govindbhog etc. The non-basmati rice is processed at our processing plant located in the village Bandheya, Piska Nagri, Ranchi in the State of Jharkhand in India. The State of Jharkhand is considered as the Rice Bowl of India producing one of the best qualities of rice.

Our Company has established an Ultra Modern Highly Automated Continuous Buhler's Swiss Technology Paddy Processing & Rice Milling Plant with a installed capacity of 16 Tones per hour. We have established ourselves as one of the Industry Leader in a short span of time with a storage capacity of 25,000 Metric tons and milling capacity of 1,26,000 Metric tons per year.

With the help of advanced infrastructure, experienced & well trained professional personnel, quality control & labs supports, our policy and commitment to produce the best quality rice, we have been able to establish ourselves as one of the best processors of non-basmati rice in the State of Jharkhand.

Our brands 'BABA', 'PANCHAKANYA', 'SINGHAM' and 'MIDDU BHAI' are well accepted for their quality and standard in the market we operate across Eastern India. Presently, we are also doing job work for other rice traders.

We are backed by a strong infrastructural base, which is well equipped with latest technology, advance machines and equipments which assist us in maintaining the quality and quantity of the rice. We have a strong focus on manufacturing process and have a full-fledged quality testing laboratory and well qualified and experienced personnel. All raw materials and consumables are tested at various stages in processing process as per stipulated standards to ensure good quality products.

The Company's management is in the industry of rice processing since 2007 and has become a pioneer in experimenting and developing the best qualities of rice.

We operate from our Registered Office located at 504, Mangal Murti Height, Harmu Road, Ranchi – 834001, Jharkhand, India. Our processing plant is situated at village Bandheya, Piska Nagri, Ranchi.

Our company's revenues and profit after tax for the year ended March 31, 2017 were ₹8,195.85 Lakhs and ₹102.83 Lakhs, respectively.

We are now moving ahead in other regions like Delhi NCR, Rajasthan and Haryana and also targeting for export.

In Non-Basmati segment, there is no national player or any brand that cater the whole of India. National Players like KRBL, LT Foods, Kohinor etc. are in Basmati Rice segment and they compete in that segment only. In Non-Basmati segment, regional units / brands have competition among themselves. In Eastern Region we are the largest manufacturer with only mill to process all varieties of rice. Burdwan, West Bengal, is a hub for rice but mostly mills are traditional and smaller in size. They process paddy and sell in bulk without branding. Further, there is significant difference in quality in the rice as well.

### OUR STRENGTHS

#### • Qualified & Experienced Team

Our senior management team is well experienced in this industry and in the marketing and distribution initiatives in this sector. The Promoters and the senior management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. Our Chairman & Managing Director, Mr. Yogesh Kumar Sahu has more than 20 years of experience in the food processing industry.

We believe that our management team's experience and their understanding of the food processing business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent distributors, and fluctuations in prices. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled “Our Management” beginning on page no. 97 of this Prospectus.

- **State of the art rice processing plant**

We process varieties of rice at our state of the art rice processing plant using machinery of International Standards i.e. Automatic Ultra Modern State of Art Buhler’s Swiss Technology Rice Mill.

Our plant is a single line rice mill which has set a new industry standard in producing parboiled rice, maximising yield and minimising product breakage and delivering consistent product quality.

Our Plant consists of continuous parboiling and drying line with Buhler’s latest and ultra modern Husker, Paddy Separator, Polisher, Destoner, Silky, Sortex and graders. Further, our plant is being operated under guidelines and supervision of Buhler’s trained and qualified engineers and technologists.

With latest technology, advance machines and equipments we maintain the quality of the rice in a best possible manner.

- **Product Brand**

Our brands ‘BABA’, ‘PANCHAKANYA’, ‘SINGHAM’ and MIDDU BHAI’ are well accepted by the ultimate consumers for their quality and standard in the market we operate across Eastern India. This also helps us in developing a strong relationship with our wholesalers and retailers as they have to put in minimal effort in selling of our products.

- **Recognised and Established Customer Base**

With our quality products and regular supply, we have earned a huge customer base across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal. The customers are wholesalers as well as retailers, which reflects the acceptability of the products offered by us. We process all types of non-basmati rice for all sections of the society, and the same is well accepted by our target customers, thereby help us to connect well with our wholesaler and retailers.

## **BUSINESS MODEL**

Our company is engaged in the business of processing of rice of various types like Long Grain, Medium Grain, Short Grain, Minicut, Sharbati, Banskati, Swarna, Sonam, Katarni and Sonachur/ Govindbhog. We are one of the largest processor of non-basmati rice in the State of Jharkhand and we market our products across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal.

We have cordial relations with the farmers growing paddy in and around our plant location and from other suppliers. Rice is derived by processing of Paddy. We procure paddy from the farmers growing paddy in and around our plant location. We also procure paddy from the State of Bihar and West Bengal.

Our company sells the products to various wholesalers and retailers across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal. We also sell the rice bran, being a by-product derived in the processing process of rice, to oil manufacturers.



## SUMMARY OF OUR FINANCIAL INFORMATION

The following tables set forth summary financial information derived from restated financial statements as of and for the financial years ended March 31, 2013, 2014, 2015, 2016 and 2017. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI ICDR Regulations and presented under the section titled “Financial Information” beginning on page number 120 of the Prospectus. The summary financial information presented below should be read in conjunction with the chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Financial Information” beginning on page numbers 137 and 120, respectively of the Prospectus.

### Statement of Assets and Liabilities (As Restated)

(₹ in Lakhs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
(a) Share Capital	1,263.30	1,263.30	1,263.30	968.92	491.52
(b) Reserves and Surplus	120.28	17.45	(68.52)	(156.49)	4.00
<b>2. Share Application money pending allotment</b>	-	-	-	294.38	183.00
<b>3. Non-Current Liabilities</b>					
(a) Long Term Borrowings	362.24	590.20	658.66	878.52	354.55
(b) Long Term Liabilities	-	-	164.98	164.98	152.71
<b>4. Current Liabilities</b>					
(a) Trade Payables	87.26	88.45	233.65	693.35	56.99
(b) Other Current Liabilities	123.51	80.31	71.91	49.71	1.85
(c) Short-Term Loans	1,462.74	1,215.66	933.34	912.76	-
<b>Total Equity &amp; Liabilities</b>	<b>3,419.33</b>	<b>3,255.37</b>	<b>3,257.32</b>	<b>3,806.13</b>	<b>1,244.62</b>
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible assets	1,597.74	1,676.52	1,899.96	2,160.41	834.94
(ii) Intangible assets	-	-	-	-	-
(iii) Capital work-in-progress	-	-	-	-	-
(b) Non Current Investment	48.17	42.16	82.61	79.24	100.55
(c) Deffered Tax Assets (Net)	22.82	26.32	- 0.74	- 0.99	-
(d) Long Term Loans & Advances	57.25	115.62	55.63	55.85	55.97
(e) Other Non Current Assets	11.15	22.30	33.45	44.61	35.16
<b>2. Current Assets</b>					
(a) Inventories	1,394.69	1,264.99	800.04	1,258.41	-
(b) Trade receivables	146.36	45.53	244.60	122.55	-
(c) Cash and cash equivalents	38.85	7.78	38.41	19.27	4.43
(d) Other Current Assets	102.30	54.13	103.36	66.77	213.56
<b>Total Assets</b>	<b>3,419.33</b>	<b>3,255.35</b>	<b>3,257.32</b>	<b>3,806.12</b>	<b>1,244.61</b>

**Summary Statement of Profit and Loss, As Restated**

(₹ in Lakhs)

SN	Particulars	Fore the period ended March 31,				
		2017	2016	2015	2014	2013
I	Revenue from Operations	8,195.85	8,085.86	7,895.83	2,411.15	0.16
	Other Income	14.80	18.00	6.85	10.35	5.53
	<b>Total Revenue (I)</b>	<b>8,210.65</b>	<b>8,103.86</b>	<b>7,902.68</b>	<b>2,421.50</b>	<b>5.69</b>
II	Expenses:					
	Cost of Materials Consumed	5,652.25	5,493.70	5,505.77	2,755.42	-
	Purchase of Stock-in-Trade	545.97	823.45	70.48	-	0.14
	Cost Packing Material Consumed	244.24	235.57	220.62	45.32	-
	Changes in inventories	(111.33)	(118.87)	613.01	(771.47)	-
	Employee Benefit Expense	387.30	361.46	246.20	67.64	-
	Finance Cost	177.51	149.26	194.80	143.87	-
	Depreciation and Amortization Expense	298.86	337.14	373.36	162.02	-
Other Expenses	843.12	750.15	590.71	178.21	0.46	
	<b>Total Expenses (II)</b>	<b>8,037.92</b>	<b>8,031.86</b>	<b>7,814.95</b>	<b>2,581.01</b>	<b>0.60</b>
III	<b>Profit before exceptional and extraordinary items and tax</b>	172.73	72.01	87.72	(159.50)	5.08
IV	<b>Profit before tax</b>	<b>172.73</b>	<b>72.01</b>	<b>87.72</b>	<b>(159.50)</b>	<b>5.08</b>
V	Tax expense:					
	- Current Tax	66.40	13.10	-	-	0.77
	- Deferred Tax	3.50	(27.06)	(0.25)	0.99	-
	- Previous Year Tax	-	-	-	-	-
VI	<b>Profit from the Continuing Operations</b>	<b>102.83</b>	<b>85.97</b>	<b>87.97</b>	<b>(160.49)</b>	<b>4.31</b>
VII	<b>Profit for the Year</b>	<b>102.83</b>	<b>85.97</b>	<b>87.97</b>	<b>(160.49)</b>	<b>4.31</b>

**Summary Statement of Cash Flow:**
*(₹ in Lakhs)*

SN	Particulars	For the period ended March 31,				
		2017	2016	2015	2014	2013
<b>A.</b>	<b>Cash flow from operating activities</b>					
	Net Profit / (Loss) before extraordinary items and tax	172.73	72.01	87.72	-	5.08
	Adjustments for:					
	Depreciation and amortisation	298.86	337.14	373.36	162.02	-
	Interest Paid	177.51	149.26	194.80	143.87	-
	Previous Year Tax	-	-	-	-	-
	Operating profit / (loss) before working capital changes	649.10	558.41	655.88	146.39	5.08
	<u>Changes in working capital:</u>					
	Adjustments for (increase) / decrease in operating assets:					
	Inventories	(129.70)	(464.96)	458.38	(1,258.41)	-
	Trade receivables	(100.84)	199.07	(122.05)	(122.55)	-
	Other Current Assets	(48.17)	49.22	(36.58)	146.79	(213.56)
	Adjustments for increase / (decrease) in operating liabilities:					
	Trade payables	(1.19)	(145.20)	(459.70)	636.36	56.99
	Other current liabilities	43.20	8.40	22.19	47.86	(34.66)
	Short-term loans	247.08	282.32	20.58	912.76	-
	Cash flow from extraordinary items					
	Cash generated from operations	659.48	487.26	538.70	509.20	(186.15)
	Net income tax (paid) / refunds	(66.40)	(13.10)	-	-	(0.77)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>593.08</b>	<b>474.16</b>	<b>538.70</b>	<b>509.20</b>	<b>(186.92)</b>
<b>B.</b>	<b>Cash flow from investing activities</b>					
	Capital expenditure on fixed assets, including capital advances	(208.94)	(102.54)	(101.76)	(1,476.35)	(754.16)
	Non Current Investment	(6.01)	40.45	(3.37)	21.31	(92.18)
	Long Term Loans & Advances	58.38	(59.99)	0.22	0.12	(55.97)
	Other Non Current Assets	-	-	-	(20.60)	(33.42)
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(156.57)</b>	<b>(122.08)</b>	<b>(104.91)</b>	<b>(1,475.52)</b>	<b>(935.73)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>					
	Proceeds from issue of equity shares	-	-	294.38	477.40	396.88
	Proceeds from share application money	-	-	-	111.38	183.00
	Proceeds from long-term borrowings	(227.96)	(68.46)	(219.86)	523.97	316.25
	Interest Paid	(177.51)	(149.26)	(194.80)	(143.87)	-
	Long Term Liabilities	-	(164.98)	-	12.27	152.71
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(405.47)</b>	<b>(382.70)</b>	<b>(414.66)</b>	<b>981.15</b>	<b>1,048.84</b>
<b>D.</b>	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>31.04</b>	<b>(30.62)</b>	<b>19.13</b>	<b>14.83</b>	<b>(73.81)</b>
	Cash and cash equivalents at the beginning of the year	7.78	38.41	19.27	4.43	78.24
<b>E</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>38.82</b>	<b>7.79</b>	<b>38.40</b>	<b>19.26</b>	<b>4.43</b>

## THE OFFER

Present Offer in terms of the Prospectus:

<b>Offer Details</b>	
Equity Shares offered	35,00,000 Equity Shares of ₹10 each
<i>Of which:</i>	
Fresh Issue	6,00,000 Equity Shares of face value of ₹10 each fully paid up of the Company for cash at a price of ₹55 per Equity share aggregating to ₹330 Lakhs
Offer for Sale	29,00,000 Equity Shares of face value of ₹10 each fully paid up of the Company for cash at a price of ₹55 per Equity share aggregating to ₹1,595.00 Lakhs
<i>The Offer consists of:</i>	
Reserved for Market Makers	1,80,000 Equity Shares of ₹ 10 each
Net Offer to the Public	33,20,000 Equity Shares of ₹ 10 each
<i>Of which</i>	
Retail Investors Portion*	Not less than 16,60,000 Equity Shares of ₹ 10 each
Non-Retail Investors Portion*	Not less than 16,60,000 Equity Shares of ₹ 10 each
Equity Shares outstanding prior to the Offer	1,26,32,971 Equity Shares of ₹ 10 each
Equity Shares outstanding after the Offer	1,32,32,971 Equity Shares of ₹10 each
Use of Proceeds	For further details please refer chapter titled “Objects of the Issue” beginning on page number 61 of the Prospectus for information on use of Offer Proceeds

\* Subject to valid applications being received, under-subscription, if any, in the Retail and Non-Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the LM and the NSE.

### Notes

1. This Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to section titled ‘Issue Information’ beginning on page 159 of the Prospectus.
2. The Offer has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on May 2, 2017 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on June 6, 2017.
3. The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated April 26, 2017 as follows:

<b>Sr. No.</b>	<b>Name of Person</b>	<b>No. of Shares offered</b>
1	Sudhir Prasad Sahu (HUF)	3,11,000
2	Krishna Devi	9,00,000
3	Binita Sahu	6,00,000
4	Ekta Sahu	6,00,000
5	Yogesh Kumar Sahu (HUF)	2,44,000
6	Gyan Prakash Sahu (HUF)	2,45,000
	<b>Total</b>	<b>29,00,000</b>

Further details please refer to chapter titled “Offer Structure” beginning on page 163 of this Prospectus.



## GENERAL INFORMATION

Our Company was incorporated as Sri Krishna Metcom Limited, as a public limited company, under the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2008, bearing registration number 013255 and CIN U15400JH2008PLC013255 issued by the Registrar of Companies, Bihar and Jharkhand. Our Company has received the Certificate of Commencement of Business dated August 25, 2008 issued by the Registrar of Companies, Bihar and Jharkhand.

### Registered Office of our Company

#### Sri Krishna Metcom Limited

504, Mangal Murti Heights,  
5th Floor, Rani Bagan,  
Harmu Road,  
Ranchi - 834001

Jharkhand

**Tel:** 0651 2285853

**Fax:** 0651 2283337

**Email:** skmltd@gmail.com

**Website:** www.skml.co.in

For further details of our Company, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page number 93 of the Prospectus.

### Address of the Registrar of Companies

#### Registrar of Companies, Jharkhand

Mangal Tower, 4th floor

Old Hazaribagh Road

Near Kanta Toli Chowk

Ranchi -834001

**Tel:** 0651 2531811

**Website:** www.mca.gov.in

### Name of the Stock Exchange where proposed to be listed

Our Company proposed to list its Equity Shares on the SME Platform of National Stock Exchange of India Limited.

National Stock Exchange of India Limited

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

Bandra-Kurla Complex,

Bandra (E)

Mumbai - 400051

### Offer Programme

Offer Opens on: September 14, 2017

Offer Closes on: September 18, 2017

### Our Board of Directors

The following table sets out details regarding our Board as on the date of the Prospectus:

Sr. No.	Name and Designation	Age (in years)	DIN	Address
1.	<b>Mr. Yogesh Kumar Sahu</b> <i>Chairman and Managing Director</i>	45	02139226	101, Krishna Apartment, Ratu Road, Ranchi- 834001
2.	<b>Mr. Gyan Prakash Sahu</b> <i>Whole-time Director (Executive)</i>	40	00194221	101, Krishna Apartment, Ratu Road, Ranchi - 834001
3.	<b>Mr. Rajesh Agrawal</b> <i>Executive Director &amp; CFO</i>	41	06448058	HN 1081, 228/22 Shivji Park, Khandsa Road, Opp Anaz Mandi Gurgaon – 122001, Haryana



Sr. No.	Name and Designation	Age (in years)	DIN	Address
4.	<b>Mr. Manish Kumar Mantri</b> <i>Independent Director</i>	42	07794554	Opposite Poddar Dharamsala, SISAI Road, Gumla – 835207
5.	<b>Mr. Jeevan Prasad</b> <i>Independent Director</i>	50	02486814	Jeevan House, Sri Nagar Colony, Namkum Ranchi, Jharkhand
6.	<b>Mrs. Binita Sahu</b> <i>Director (Woman)</i> <i>(Non-Executive Non-Independent)</i>	33	07792268	101, Krishna Apartment, Ratu Road, Ranchi- 834001

For detailed profile of our Chairman and Managing Director and other Directors, refer to chapters titled “Our Management” and “Our Promoters and Promoter Group” on page 97 and 109 respectively of the Prospectus.

#### **Company Secretary and Compliance Officer**

**Ms. Namrata Maheswari**  
**Sri Krishna Metcom Limited**  
504, Mangal Murti Heights,  
5th Floor, Rani Bagan,  
Harmu Road,  
Ranchi - 834001  
Jharkhand  
**Tel:** +91 651 2285853  
**Fax:** +91 651 2283337  
**Email:** skmltd@gmail.com

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer, Link Intime India Private Limited and / or the Lead Manager, i.e., Microsec Capital Limited, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs where the Application was submitted by the ASBA Applicants.

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

#### **Lead Manager to the Offer**

**MICROSEC CAPITAL LIMITED**  
Marble Arch Building, 503, 5<sup>th</sup> Floor  
236B-AJC Bose Road  
Kolkata-700020  
**Tel:** + 9133 40501500  
**Fax:** + 9133 40501549  
**E-mail:** ib@microsec.in  
**Investor Grievance Email:** investor.relation@microsec.in  
**Website:** www.microsec.in  
**Contact Person:** Mr. Manav Goenka  
**SEBI Registration No:** INM000010791

#### **Registrar to the Offer**

**Link Intime India Private Limited**  
Address: C-101, 1<sup>st</sup> Floor, 247Park, L.B.S. Marg, Vikhroli (West), Mumbai  
400083, Maharashtra, India  
**Tel:** +91 022 49186200  
**Fax:** +91 022 49186195  
**Email:** skml.ipo@linkintime.co.in  
**Investor grievance e-mail:** skml.ipo@linkintime.co.in,



**Website:** www.linkintime.co.in  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**SEBI Regn. Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

#### ***Share Escrow Agent***

##### **Link Intime India Private Limited**

Address: C-101, 1<sup>st</sup> Floor, 247Park, L.B.S. Marg, Vikhroli (West), Mumbai  
400083, Maharashtra, India  
**Tel:** +91 022 49186200  
**Fax:** +91 022 49186195  
**Email:** skml.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Mr. Haresh Hinduja

#### ***Legal Advisor to the Offer***

##### **Ms. Titash Mukherjee**

Advocate  
Bar Council Membership No. F/1453/2012  
6, Old Post Office Street  
Basement Room No. 8 & 9  
Kolkata – 700001  
**Email:** mukherjeetitash89@gmail.com  
**Mobile No:** +91 9836126557

#### ***Bankers to our Company***

##### **IDBI Bank Limited**

715, Kataruka House,  
M G Road  
Ranchi - 834001  
**Tel:** +91 651 6602043/46  
**Fax:** +91 651 2202193  
**Email:** somenath\_kundu@idbi.co.in  
**Contact Person:** Somenath Kundu (Branch Head and DGM)  
**Website:** www.idbi.com

#### ***Statutory Auditors of our Company (Peer Review certified)***

##### **N. K. Kejriwal & Co.**

Chartered Accountants  
11/2, GEL Church Complex  
Main Road, Ranchi - 834001  
**Tel:** +91 651 233 0441, 1910  
**Email:** nkk\_ca@hotmail.com  
**Membership No:** 410224  
**FRN:** 004326C

#### ***Underwriter to the Offer***

##### **MICROSEC CAPITAL LIMITED**

Marble Arch Building, 503, 5<sup>th</sup> Floor  
236B-AJC Bose Road  
Kolkata-700020  
**Tel:** + 9133 40501500  
**Fax:** + 9133 40501549  
**E-mail:** ib@microsec.in  
**Investor Grievance Email:** investor.relation@microsec.in  
**Website:** www.microsec.in  
**Contact Person:** Mr. Manav Goenka  
**SEBI Registration No:** INM000010791

### **Bankers to the Offer**

#### **HDFC BANK LIMITED**

FIG- OPS Department- Lodha,  
I Think Techno Campus O- 3 Level,  
Next to Kanjurmarg, Railway Station,  
Murmansk (East)  
Mumbai- 400042

**Tel:** + 912230752927/28/29/2914

**Fax:** + 9122 25799801

**E-mail:** Vincent.dsouza@hdfcbank.com / siddharth.jadhav@hdfcbank.com/ prasanna.uchil@hdfcbank.com

**Website:** www.hdfcbank.com

**Contact Person:** Mr. Vincent Dsouza, Mr. Siddharth Jadhav, Mr. Prasanna Uchil

**SEBI Registration No:** INBI00000063

### **Self Certified Syndicate Banks (SCSB's)**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [http://www.sebi.gov.in/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html). For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

### **Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities**

Since Microsec Capital Limited is the sole Lead Manager to this Offer, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

### **Credit Rating**

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

### **IPO Grading**

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

### **Brokers to the Offer**

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

### **Expert Opinion**

Except the report of the Statutory Auditor on (a) the restated financial statements; and (b) statement of tax benefits, included in the Prospectus, our Company has not obtained any other expert opinion.

### **Debenture Trustee**

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

### **Appraisal and Monitoring Agency**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹50,000 Lakhs. Since the Issue size is only of ₹1,925 lakhs, our Company has not appointed any monitoring agency for this Issue. However, the Audit Committee of our Company would be monitoring the utilization of proceeds of the Issue.

### **Underwriting Agreement**

Our Company, Selling Shareholders and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated July 6, 2017. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of equity shares underwritten	Amount Underwritten (₹ in Lakhs)	% of the Total Issue Size Underwritten
<b>MICROSEC CAPITAL LIMITED</b> Marble Arch Building, 503, 5 <sup>th</sup> Floor 236B-AJC Bose Road Kolkata-700020 <b>Tel:</b> + 9133 40501500 <b>Fax:</b> + 9133 40501549 <b>E-mail:</b> ib@microsec.in <b>Website:</b> www.microsec.in <b>Contact Person:</b> Mr. Manav Goenka <b>SEBI Registration No:</b> INM000010791	<b>35,00,000</b>	<b>1,925.00</b>	<b>100%</b>
<b>Total</b>	<b>35,00,000</b>	<b>1,925.00</b>	<b>100%</b>

In the opinion of our Board of Directors of the Company, the resources of the above mentioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act.

#### **Details of the Market Making Arrangement for this Offer**

Our Company and the Lead Manager have entered into a agreement dated July 6, 2017, with the following Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

#### **MICROSEC CAPITAL LIMITED**

Marble Arch Building, 503, 5<sup>th</sup> Floor

236B-AJC Bose Road

Kolkata-700020

**Tel:** + 9133 40501500

**Fax:** + 9133 40501549

**Investor Grievance Email:** investor.relation@microsec.in

**Website:** www.microsec.in

**Contact Person:** Mr. Partha Pratim Das

**SEBI Registration No:** INB231115933

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified 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. Based on the IPO price of ₹55/- the minimum lot size is 2,000 Equity Shares thus minimum depth of the quote shall be ₹1,10,000/- until the same, would be revised by National Stock Exchange of India Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 180,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited 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.

There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Microsec Capital Limited is acting as the sole Market Maker.

6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
7. 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.
8. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
9. 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 Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
10. Emerge Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
11. Emerge Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

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

## CAPITAL STRUCTURE

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

Sr. No.	Particulars	Amount (₹ in Lakhs)	
		Aggregate nominal value	Aggregate value at Offer Price
<b>A. Authorised Share Capital</b>			
	1,75,00,000 Equity Shares of ₹ 10 each	1750.00	--
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Offer</b>			
	1,26,32,971 Equity Shares of ₹ 10 each	1263.30	--
<b>C. Present Offer in terms of the Prospectus</b>			
	Offer of 35,00,000 Equity Shares of ₹ 10 each at a Price of ₹ 55 per Equity Share	350.00	1,925.00
<i>Consisting of:</i>			
a)	<b>Fresh Issue</b> of 6,00,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share	60.00	330.00
b)	<b>Offer for Sale</b> of 29,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 55 per share by Selling Shareholders:	290.00	1,595.00
	(i) Offer for sale of 3,11,000 Equity Shares by Sudhir Prasad Sahu (HUF)	31.10	171.05
	(ii) Offer for sale of 9,00,000 Equity Shares by Krishna Devi	90.00	495.00
	(iii) Offer for sale of 6,00,000 Equity Shares by Binita Sahu	60.00	330.00
	(iv) Offer for sale of 6,00,000 Equity Shares by Ekta Sahu	60.00	330.00
	(v) Offer for sale of 2,44,000 Equity Shares by Yogesh Kumar Sahu (HUF)	24.40	134.20
	(vi) Offer for sale of 2,45,000 Equity Shares by Gyan Prakash Sahu (HUF)	24.50	134.75
	of ₹ 10 each for cash at a price of ₹ 55 per Equity Share		
	<b>Reservation for Market Maker</b> - 1,80,000 Equity Shares of ₹10 each at a price of ₹ 55 per Equity Share reserved as Market Maker Portion	18.00	99.00
	<b>Net Issue / Offer to the Public</b> - 33,20,000 Equity Shares of ₹10 each at a price of ₹ 55 per Equity Share	332.00	1,826.00
<b>Of the Net Issue/Offer to the Public</b>			
-	<b>Allocation to Retail Individual Investors</b> - 16,60,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share shall be available for allocation for Investors applying for a value of up to ₹ 2.00 lakhs	166.00	913.00
-	<b>Allocation to Other than Retail Individual Investors</b> - 16,60,000 Equity Shares of ₹ 10 each at a price of ₹ 55 per Equity Share shall be available for allocation for Investors applying for a value of above ₹ 2.00 lakhs	166.00	913.00
<b>D. Issued, Subscribed and Paid-up Share Capital after the Offer</b>			
	1,32,32,971 Equity Shares of ₹ 10 each	1323.30	
<b>E. Securities Premium Account</b>			
	Before the Offer		NIL
	After the Offer		270.00

*The present Issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated May 2, 2017 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of our shareholders held on June 6, 2017.*

*All Selling Shareholders have consented to participate in the Offer vide their respective authorisation letter dated April 26, 2017.*



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

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of increase in Authorised Share Capital:

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

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each.		On incorporation	-
₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each.	₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each.	August 8, 2012	EGM
₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each.	₹ 6,10,00,000 consisting of 61,00,000 Equity shares of ₹ 10 each.	November 12, 2012	EGM
₹ 6,10,00,000 consisting of 61,00,000 Equity shares of ₹ 10 each.	₹ 8,10,00,000 consisting of 81,00,000 Equity shares of ₹ 10 each.	December 20, 2012	EGM
₹ 8,10,00,000 consisting of 81,00,000 Equity shares of ₹ 10 each.	₹ 10,50,00,000 consisting of 1,05,00,000 Equity shares of ₹ 10 each.	July 25, 2013	EGM
₹ 10,50,00,000 consisting of 1,05,00,000 Equity shares of ₹ 10 each.	₹ 13,50,00,000 consisting of 1,35,00,000 Equity shares of ₹ 10 each.	September 16, 2013	EGM
₹ 13,50,00,000 consisting of 1,35,00,000 Equity shares of ₹ 10 each.	₹ 17,50,00,000 consisting of 1,75,00,000 Equity shares of ₹ 10 each.	September 3, 2014	EGM

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

Date of Allotment	No. of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid -up Capital (₹)	Cumulative Securities premium (₹)
July 31, 2008	50,000	10	10	Cash	Subscription to MoA <sup>(1)</sup>	50,000	5,00,000	Nil
May 26, 2010	1,20,000	10	10	Cash	Further Allotment <sup>(2)</sup>	1,70,000	17,00,000	Nil
March 31, 2012	7,76,400	10	10	Cash	Further Allotment <sup>(3)</sup>	9,46,400	94,64,000	Nil
November 6, 2012	20,53,600	10	10	Cash	Further Allotment <sup>(4)</sup>	30,00,000	3,00,00,000	Nil
December 24, 2012	19,15,171	10	10	Cash	Further Allotment <sup>(5)</sup>	49,15,171	4,91,51,710	Nil
July 25, 2013	18,30,000	10	10	Cash	Further Allotment <sup>(6)</sup>	67,45,171	6,74,51,710	Nil
July 31, 2013	29,44,000	10	10	Cash	Further Allotment <sup>(7)</sup>	96,89,171	9,68,91,710	Nil
May 20, 2014	29,43,800	10	10	Cash	Further Allotment <sup>(8)</sup>	1,26,32,971	12,63,29,710	Nil

(1) Initial Subscribers to Memorandum of Association hold 50,000 Equity Shares each of face value of ₹10/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Manish Kumar Sahu	7,000
2	Yogesh Kumar Sahu	7,000
3	Gyan Prakash Sahu	7,000
4	Sudhir Prasad Sahu	8,000
5	Krishna Devi	7,000
6	Ekta Sahu	7,000



Sr. No	Name of Person	No. of Shares Allotted
7	Rishikesh Goyal	7,000
	<b>Total</b>	<b>50,000</b>

(2) The Company allotted 1,20,000 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Manish Kumar Sahu	40,000
2	Yogesh Kumar Sahu	40,000
3	Gyan Prakash Sahu	40,000
	<b>Total</b>	<b>1,20,000</b>

(3) The Company allotted 7,76,400 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1	Ashok Kumar Sarkar	52,100
2	Chanda Sarawgi	52,600
3	Gyan Singh (Gyan Singh as Karta of HUF)	52,300
4	Harendra Singh	52,400
5	Kishore Kumar Dutta	60,000
6	Nityanand Singh	50,000
7	Pradeep Kumar Ruia	51,700
8	Prakash Lal	50,000
9	Prakash Lal (Prakash Lal as Karta of HUF)	49,500
10	Manisha Devi	51,600
11	Santosh Lal	52,300
12	Subodh Kumar Singh (Subodh Kumar Singh as Karta of HUF)	49,300
13	Ved Prakash Verma	62,600
14	Vicky Kumar	90,000
	<b>Total</b>	<b>7,76,400</b>

(4) The Company allotted 20,53,600 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1	Gyan Prakash Sahu	1,37,500
2	Manish Kumar Sahu (Manish Kumar Sahu as Karta of HUF)	5,84,000
3	Yogesh Kumar Sahu (Yogesh Kumar Sahu as Karta of HUF)	2,44,000
4	Gyan Prakash Sahu (Gyan Prakash Sahu as Karta of HUF)	2,45,000
5	Sudhir Prasad Sahu (Sudhir Prasad Sahu as Karta of HUF)	4,35,100
6	Manish Kumar Sahu	2,50,000
7	Yogesh Kumar Sahu	1,58,000
	<b>Total</b>	<b>20,53,600</b>

(5) The Company allotted 19,15,171 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1	Manish Kumar Sahu	8,02,500
2	Yogesh Kumar Sahu	1,70,000
3	Gyan Prakash Sahu	1,00,000
4	Sudhir Prasad Sahu (Sudhir Prasad Sahu as Karta of HUF)	3,09,900
5	Amit Tathera/ Arun Kumar	50,000
6	Ashim Ashraf Sm Quasim Huslima Begum	51,895



Sr. No.	Name of Person	No. of Shares Allotted
7	Harendra Kumar Singh (Harendra Kumar Singh as Karta of HUF)	62,390
8	Jeetendra Kumar Agarwal Prop. Sri Rama	50,000
9	Mangal Kumar Singh (Mangal Kumar Singh as Karta of HUF)	50,163
10	Md. Irshad Khan	47,957
11	Manisha Devi/ Rajesh Balmiki	20,000
12	Ravindra Kumar Agarwal	65,885
13	Santosh Kumar Agarwal (Santosh Kumar Agarwal as Karta of HUF)	71,537
14	Satish Kumar	62,944
	<b>Total</b>	<b>19,15,171</b>

- (6) The Company allotted 18,30,000 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares
1	Binita Sahu	2,59,000
2	Ekta Sahu	40,000
3	Krishna Devi	1,00,000
4	Manish Kumar Sahu	1,35,000
5	Manish Kumar Sahu (Manish Kumar Sahu as Karta of HUF)	1,07,500
6	Rakhi Sahu	11,88,500
	<b>Total</b>	<b>18,30,000</b>

- (7) The Company allotted 29,44,000 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1	Ajay Singh	3,00,000
2	Akshay Kumar Singh (Akshay Kumar Singh as Karta of HUF)	15,000
3	Akshay Kumar Singh	20,000
4	Annu Singh	3,00,000
5	Ashok Kumar Poddar (Ashok Kumar Poddar as Karta of HUF)	20,000
6	Ashok Kumar Sarkar	46,000
7	Ashwin Kumar	1,30,000
8	Balwant Singh	3,00,000
9	Bela Kumari Jain	15,000
10	Binod Kumar Agarwal	25,000
11	Binod Kumar Jain (Binod Kumar Jain as Karta of HUF)	16,000
12	Chandan Kumar Choudhary	10,000
13	Dinesh Kumar	18,000
14	Draupadi Devi	15,000
15	Harendra Singh	1,10,000
16	Heena Hitesh Liya	20,000
17	Kanta Devi Ruia	1,00,000
18	Kanta Hemani	20,000
19	Madhusudan Saraf	1,70,000
20	Manju Hemani	12,000
21	Md. Irshad Khan	1,50,000
22	Md. S.M. Quashim	50,000
23	Murari Lal Saraf	20,000
24	Mohan Lal Patel	24,000
25	Munna Kumar Singh (Munna Kumar Singh as Karta of HUF)	25,000
26	N.N Singh (N.N Singh as Karta of HUF)	30,000
27	Pradeep Kumar Ruia (Pradeep Kumar Ruia as Karta of HUF)	16,000
28	Pushpa Devi Saraf	1,00,000
29	Rajesh Balmiki (Rajesh Balmiki as Karta of HUF)	14,000
30	Rajesh Balmiki	9,000
31	R.K Sinha (R.K Sinha as Karta of HUF)	70,000
32	Roshan Lal (Roshan Lal as Karta of HUF)	25,000



33	Rumana Khatoon	18,000
34	Santosh Hemani	10,000
35	Santosh Kumar Agarwal	10,000
36	Santosh Lal	1,40,000
37	Shankar Lal Saraf	20,000
38	Shubh Narayan Dutta (Subha Narayan Dutta as Karta of HUF)	1,80,000
39	Shyam Sundar Singh	1,50,000
40	Subodh Kumar Sinha	11,000
41	Sudha Sinha	1,80,000
42	Sudhir Kumar Singh	16,000
43	Sunil Kumar Singh (Sunil Kumar Singh as Karta of HUF)	14,000
	<b>Total</b>	<b>29,44,000</b>

(8) The Company allotted 29,43,800 Equity Shares of face value of ₹10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1	Deepak Kumar Patel (Deepak Kumar Patel as Karta of HUF)	30,000
2	Harendra Singh (Harendra Singh as Karta of HUF)	30,000
3	Jaglal Ram (Jaglal Ram as Karta of HUF)	75,000
4	Krishna Singh	40,000
5	Mangal Kumar Singh	60,000
6	Nityanand Singh	55,000
7	Radha Kishan Kejriwal (Radha Kishan Kejriwal as Karta of HUF)	25,000
8	Rajesh Balmiki	30,000
9	Raj Kumar Poddar (Raj Kumar Poddar as Karta of HUF)	75,000
10	Roshan Lal	60,000
11	Roshan Lal (Roshan Lal as Karta of HUF)	30,000
12	Subodh Kumar Sinha	30,000
13	Binita Sahu	5,10,000
14	Ekta Sahu	9,00,000
15	Krishna Devi	9,50,500
16	Rakhi Sahu	5,000
17	Manish Sahu (Manish Sahu as Karta of HUF)	11,500
18	Sudhir Prasad Sahu (Sudhir Prasad Sahu as Karta of HUF)	26,800
	<b>Total</b>	<b>29,43,800</b>

### 3. Equity Shares issued for consideration other than cash by our Company

Our Company has not issued any Equity Shares for consideration other than cash.

### 4. Details of Promoters' contribution and Lock-in

The Equity Shares held by the Promoters were acquired / allotted in the following manner:

#### Details of build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>Mr. Sudhir Prasad Sahu</b>							
On Incorporation	Subscription to MOA	8,000	10	10.00	Cash	-	0.06%
March 31, 2014	Purchase	9,200	10	10.00	Cash	Manish Kumar Sahu (HUF)	0.07%
September 5, 2016	Purchase	51,600	10	10.50	Cash	Manisha Devi	0.41%

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
September 5, 2016	Purchase	51,700	10	10.50	Cash	Pradeep Kumar Ruia	0.41%
September 5, 2016	Purchase	50,163	10	10.50	Cash	Mangal Kumar Singh HUF	0.40%
September 5, 2016	Purchase	20,000	10	10.50	Cash	Manisha Devi / Rajesh Balmiki	0.16%
September 5, 2016	Purchase	30,000	10	10.50	Cash	Rajesh Balmiki	0.24%
September 5, 2016	Purchase	60,000	10	10.50	Cash	Mangal Kumar Singh	0.47%
September 5, 2016	Purchase	1,05,000	10	10.50	Cash	Arti Sultania	0.83%
	<b>Sub-total</b>	<b>3,85,663</b>					<b>3.05%</b>
<b>Sudhir Prasad Sahu (HUF)</b>							
November 6, 2012	Allotment	4,35,100	10	10.00	Cash	-	3.44%
December 24, 2012	Allotment	3,09,900	10	10.00	Cash	-	2.45%
September 28, 2013	Purchase	3,00,000	10	10.00	Cash	Ajay Singh - ABSD Electricals	2.37 %
September 28, 2013	Purchase	20,000	10	10.00	Cash	Akshay Kumar Singh	0.16 %
September 28, 2013	Purchase	3,00,000	10	10.00	Cash	Annu Singh	2.37 %
September 28, 2013	Purchase	1,30,000	10	10.00	Cash	Ashwin Kumar	1.03 %
September 28, 2013	Purchase	10,000	10	10.00	Cash	Chandan Kumar Choudhary	0.08 %
September 28, 2013	Purchase	20,000	10	10.00	Cash	Heena Hitesh Liya	0.16 %
September 28, 2013	Purchase	20,000	10	10.00	Cash	Kanta Hemani	0.16 %
May 20, 2014	Allotment	26,800	10	10.00	Cash	-	0.21%
March 31, 2014	Purchase	29,600	10	10.00	Cash	Ekta Sahu	0.23%
March 31, 2014	Purchase	38,770	10	10.00	Cash	Manish Kumar Sahu (HUF)	0.31%
March 31, 2014	Purchase	60,000	10	10.00	Cash	Binita Sahu	0.47%
March 31, 2014	Purchase	1,61,796	10	10.00	Cash	Manish Kumar Sahu	1.28%
March 31, 2014	Purchase	2,84,000	10	10.00	Cash	Yogesh Kumar Sahu	2.25%
	<b>Sub-total</b>	<b>21,45,966</b>					<b>16.99%</b>
<b>Mr. Yogesh Kumar Sahu</b>							
On Incorporation	Subscription to MOA	7,000	10	10.00	Cash	-	0.06%
May 26, 2010	Allotment	40,000	10	10.00	Cash	-	0.32%
November 12, 2012	Allotment	1,58,000	10	10.00	Cash	-	1.25%
December 24, 2012	Allotment	1,70,000	10	10.00	Cash	-	1.35%
September 28, 2013	Purchase	50,000	10	10.00	Cash	Md. S.M Quashim	0.40%

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
September 28, 2013	Purchase	20,000	10	10.00	Cash	M.L.Sarraf	0.16%
September 28, 2013	Purchase	30,000	10	10.00	Cash	N.N. Singh (HUF)	0.24%
September 28, 2013	Purchase	1,00,000	10	10.00	Cash	Pushpa Devi Saraff	0.79%
March 31, 2014	Purchase	54,000	10	10.00	Cash	Binita Sahu	0.43%
March 31, 2014	Sale	2,84,000	10	10.00	Cash	Sudhir Prasad Sahu (HUF)	2.25%
November 29, 2016	Purchase	11,23,704	10	10.50	Cash	Manish Kumar Sahu	8.90%
November 29, 2016	Purchase	11,47,500	10	10.50	Cash	Rakhi Sahu	9.08%
	<b>Sub-total</b>	<b>26,16,204</b>					<b>20.71%</b>
<b>Mr. Gyan Prakash Sahu</b>							
On Incorporation	Subscription to MOA	7,000	10	10.00	Cash	-	0.06%
May 26, 2010	Allotment	40,000	10	10.00	Cash	-	0.32%
November 6, 2012	Allotment	1,37,500	10	10.00	Cash	-	1.09%
December 24, 2012	Allotment	1,00,000	10	10.00	Cash	-	0.79%
September 28, 2013	Purchase	1,00,000	10	10.00	Cash	Harendra Singh	0.79%
September 28, 2013	Purchase	1,00,000	10	10.00	Cash	Kanta Devi Ruia	0.79%
March 31, 2014	Purchase	12,815	10	10.00	Cash	Manish Kumar Sahu (HUF)	0.10%
March 31, 2014	Sale	7,000	10	10.00	Cash	Yogesh Kumar Sahu (HUF)	0.06%
March 31, 2014	Sale	8,000	10	10.00	Cash	Yogesh Kumar Sahu (HUF)	0.06%
November 29, 2016	Purchase	23,42,215	10	10.50	Cash	Manish Kumar Sahu (HUF)	18.54%
	<b>Sub-total</b>	<b>28,24,530</b>					<b>22.36%</b>
<b>Grand Total</b>		<b>79,72,363</b>					<b>63.10%</b>

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

#### Details of Promoter's Contribution locked in for three years:

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20% of the post-Issue Capital shall be considered as Promoter's Contribution (Promoters' Contribution) and shall be locked in by for a period of three (3) years from the date of Allotment.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.03% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Prospectus until the completion of the lock-in period specified above.

The details of the Equity Shares held by our Promoters, which are locked in for a period of three years from the date of Allotment in the Offer are given below:



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GROUP

Name of Promoter	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price per Equity Share (₹)	Percentage of post-Offer paid-up capital (%)
Yogesh Kumar Sahu	On incorporation	Subscription shares	7,000	10.00	10.00	0.05%
Yogesh Kumar Sahu	May 26, 2010	Allotment	40,000	10.00	10.00	0.30%
Yogesh Kumar Sahu	November 12, 2012	Allotment	1,58,000	10.00	10.00	1.19%
Yogesh Kumar Sahu	December 24, 2012	Allotment	1,40,000	10.00	10.00	1.06%
<b>Sub-Total</b>			<b>3,45,000</b>			<b>2.61%</b>
Gyan Prakash Sahu	On incorporation	Subscription shares	7,000	10.00	10.00	0.05%
Gyan Prakash Sahu	May 25, 2012	Allotment	40,000	10.00	10.00	0.30%
Gyan Prakash Sahu	November 6, 2012	Allotment	1,37,500	10.00	10.00	1.04%
Gyan Prakash Sahu	December 24, 2012	Allotment	1,00,000	10.00	10.00	0.76%
Gyan Prakash Sahu	September 28, 2013	Purchase	1,00,000	10.00	10.00	0.76%
Gyan Prakash Sahu	September 28, 2013	Purchase	97,815	10.00	10.00	0.74%
<b>Sub-Total</b>			<b>4,82,315</b>			<b>3.64%</b>
Sudhir Prasad Sahu (HUF)	November 6, 2012	Allotment	4,35,100	10.00	10.00	3.29%
Sudhir Prasad Sahu (HUF)	December 24, 2012	Allotment	3,09,900	10.00	10.00	2.34%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	3,00,000	10.00	10.00	2.27%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	20,000	10.00	10.00	0.15%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	3,00,000	10.00	10.00	2.27%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	1,30,000	10.00	10.00	0.98%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	10,000	10.00	10.00	0.08%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	20,000	10.00	10.00	0.15%
Sudhir Prasad Sahu (HUF)	September 28, 2013	Purchase	20,000	10.00	10.00	0.15%
Sudhir Prasad Sahu (HUF)	May 20, 2014	Allotment	26,800	10.00	10.00	0.20%
Sudhir Prasad Sahu (HUF)	March 31, 2014	Purchase	29,600	10.00	10.00	0.22%
Sudhir Prasad Sahu (HUF)	March 31, 2014	Purchase	38,770	10.00	10.00	0.29%
Sudhir Prasad Sahu (HUF)	March 31, 2014	Purchase	60,000	10.00	10.00	0.45%
Sudhir Prasad Sahu (HUF)	March 31, 2014	Purchase	1,22,515	10.00	10.00	0.93%
<b>Sub-Total</b>			<b>18,22,685</b>			<b>13.77%</b>
<b>Total</b>			<b>26,50,000</b>			<b>20.03%</b>

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI Regulations. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

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

- a) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- b) Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- c) Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price; or equity shares which are subject to any pledge.
- d) Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

Further, our Company has not been formed by the conversion of a partnership firm into a company and no Equity Shares have been allotted pursuant to any scheme under the Companies Act.

The share certificates for the Equity Shares in physical form, which are subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories.

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

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance pre-Issue Equity Share capital of our Company, *i.e.* 99,82,971 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Other requirements in respect of 'lock-in'***

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

#### ***5. Our shareholding pattern***

The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Prospectus:

Category Code	Category of shareholder	No. of share holder	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCR R, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	9	12632971	-	-	12632971	100.00	12632971	-	12632971	100.00	-	100.00	12632971	100.00	-	-	12632971
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>12632971</b>	<b>-</b>	<b>-</b>	<b>12632971</b>	<b>100.00</b>	<b>12632971</b>	<b>-</b>	<b>12632971</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>12632971</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>12632971</b>

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

\*\*Shall be locked-in on or before the date of allotment in this Issue.

I. Shareholding Pattern of Promoters and Promoter Group

	Category & name of shareholder (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	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) As a % of (A+B+C2) (XI) = (VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)	
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)		
								Class : X	Class : Y	Total									
(1)	Indian																		
(a)	Individual/Hindu Undivided Family	9	12632971	-	-	12632971	100.00	12632971	-	12632971	100.00	-	100.00	12632971	100.00	-	-	12632971	
	Gyan Prakash Sahu	1	28,24,530	-	-	28,24,530	22.36%	28,24,530	-	28,24,530	22.36%	-	22.36%	28,24,530	22.36%	-	-	28,24,530	
	Yogesh Kumar Sahu	1	26,16,204	-	-	26,16,204	20.71%	26,16,204	-	26,16,204	20.71%	-	20.71%	26,16,204	20.71%	-	-	26,16,204	
	Sudhir Prasad Sahu (HUF)	1	21,45,966	-	-	21,45,966	16.99%	21,45,966	-	21,45,966	16.99%	-	16.99%	21,45,966	16.99%	-	-	21,45,966	
	Ekta Sahu	1	12,86,781	-	-	12,86,781	10.19%	12,86,781	-	12,86,781	10.19%	-	10.19%	12,86,781	10.19%	-	-	12,86,781	

Category & name of shareholder (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	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) As a % of (A+B+C2) (XI) = (VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)
							No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
							Class : X	Class : Y	Total								
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI) = (VII)+(X)	(XII)		(XIII)		(XIV)
Binita Sahu	1	10,75,685	-	-	10,75,685	8.51%	10,75,685	-	10,75,685	8.51%	-	8.51%	10,75,685	8.51%	-	-	10,75,685
Krishna Devi	1	10,57,500	-	-	10,57,500	8.37%	10,57,500	-	10,57,500	8.37%	-	8.37%	10,57,500	8.37%	-	-	10,57,500
Yogesh Kumar Sahu (HUF)	1	6,24,347	-	-	6,24,347	4.94%	6,24,347	-	6,24,347	4.94%	-	4.94%	6,24,347	4.94%	-	-	6,24,347
Gyan Prakash Sahu (HUF)	1	6,16,295	-	-	6,16,295	4.88%	6,16,295	-	6,16,295	4.88%	-	4.88%	6,16,295	4.88%	-	-	6,16,295
Sudhir Prasad Sahu	1	3,85,663	-	-	3,85,663	3.05%	3,85,663	-	3,85,663	3.05%	-	3.05%	3,85,663	3.05%	-	-	3,85,663
(b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category & name of shareholder (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	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) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class : X	Class : Y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII)	(IX)				(X)	(XI) = (VII) + (X)	(XII)		(XIII)		(XIV)
(c)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub- total (A) (1)</b>	9	12632971	-	-	12632971	100.00	12632971	-	12632971	100.00	-	100.00	12632971	100.00	-	-	12632971
(2)	<b>Foreign</b>																	

	Category & name of shareholder (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	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) As a % of (A+B+C2) (XI) = (VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class : X	Class : Y	Total								
(a)	Individual (Non-Resident Individual/ Foreign Individual)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category & name of shareholder (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	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) As a % of (A+B+C2) (XI) = (VII)+(X)	Number of locked in Shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)	
							No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)		
							Class : X	Class : Y	Total									
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Shareholding of Promoters and Promoter Group (A)=(A)(1)+(A)(2)</b>	9	12632971	-	-	12632971	100.00	12632971	-	12632971	100.00	-	100.00	12632971	100.00	-	-	12632971

II. Shareholding Pattern of the Public shareholder

	Category & name of shareholder	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total shares held (B)	No.	As a % of total shares held (B)	
									Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X)	(XII)		(XIII)		(XIV)	
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

Category & name of shareholder	PAN	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total shares held (B)	No.	As a % of total shares held (B)	
								Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(V II)+(X)	(XII)		(XIII)	(XIV)	
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category & name of shareholder	P A N	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total shares held (B)	No.	As a % of total shares held (B)	
								Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X)	(XII)		(XIII)	(XIV)	
(e) Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)-(B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

III. Shareholding pattern of the Non Promoter- Non Public shareholder

	Category & name of shareholder	P A N	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total shares held (B)	No. (Not Applicable)	As a % of total shares held (Not Applicable)	
									Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(V II)+(X)	(XII)		(XIII)		(XIV)	
(1)	Custodian /DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category & name of shareholder	P A N	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total shares held (B)	No. (Not Applicable)	As a % of total shares held (Not Applicable)	
								Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+ (VI)	(VIII)	(IX)				(X)	(XI)=(V II)+(X)	(XII)		(XIII)		(XIV)
<b>Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



\*In terms of SEBI circular bearing No. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, our Company has dematerialized all the existing shares of the Company.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such Equity Shares.

- (a) As on the date of the Prospectus, there are no partly paid-up shares / outstanding convertible securities / warrants in our Company.
- (b) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Particulars	Pre Offer		Post Offer	
		No. of Shares	% Holding	No. of Shares	% Holding
1	Sudhir Prasad Sahu	3,85,663	3.05%	3,85,663	2.91%
2	Yogesh Kumar Sahu	26,16,204	20.71%	26,16,204	19.77%
3	Gyan Prakash Sahu	28,24,530	22.36%	28,24,530	21.34%
4	Binita Sahu	10,75,685	8.51%	4,75,685	3.59%
5	Ekta Sahu	12,86,781	10.19%	6,86,781	5.19%
6	Krishna Devi	10,57,500	8.37%	1,57,500	1.19%
7	Yogesh Kumar Sahu (HUF)	6,24,347	4.94%	3,80,347	2.87%
8	Gyan Prakash Sahu (HUF)	6,16,295	4.88%	3,71,295	2.81%
9	Sudhir Prasad Sahu (HUF)	21,45,966	16.99%	18,34,966	13.87%
	<b>Total</b>	<b>126,32,971</b>	<b>100.00%</b>	<b>97,32,971</b>	<b>73.55%</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Sudhir Prasad Sahu	3,85,663	10.48
Sudhir Prasad Sahu (HUF)	21,45,966	10.00
Yogesh Kumar Sahu	26,16,204	10.43
Gyan Prakash Sahu	28,24,530	10.41

- (c) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares: **NIL**
- (d) There are no Equity Shares against which depository receipts have been issued.
- (e) Other than the Equity Shares, there are is no other class of securities issued by our Company.
6. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
8. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue Price.
9. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible



into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

10. During the past six months immediately preceding the date of filing Prospectus, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group [as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI (ICDR) Regulations] or the directors of the company which is a promoter of the Company and/or the Directors of the Company.
11. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.
12. Our Company, our Promoters, our Directors and the Lead Manager to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
13. There are no safety net arrangements for this public Offer.
14. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment.
15. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
16. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
17. As per RBI regulations, OCBs are not allowed to participate in this Issue.

**18. Particulars of top ten shareholders:**

*(a) Particulars of the top ten shareholders as on the date of the Prospectus:*

Sr. No.	Name of shareholder*	No. of Shares	% of then Issued Capital
1	Gyan Prakash Sahu	28,24,530	22.36%
2	Yogesh Kumar Sahu	26,16,204	20.71%
3	Sudhir Prasad Sahu (HUF)	21,45,966	16.99%
4	Ekta Sahu	12,86,781	10.19%
5	Binita Sahu	10,75,685	8.51%
6	Krishna Devi	10,57,500	8.37%
7	Yogesh Kumar Sahu (HUF)	6,24,347	4.94%
8	Gyan Prakash Sahu (HUF)	6,16,295	4.88%
9	Sudhir Prasad Sahu	3,85,663	3.05%
<b>Total</b>		<b>1,26,32,971</b>	<b>100.00%</b>

\* The Company has only 9 (Nine) shareholders.

*(b) Particulars of top ten shareholders ten days prior to the date of the Prospectus:*

Sr. No.	Name of shareholder*	No. of Shares	% of then Issued Capital
1	Gyan Prakash Sahu	28,24,530	22.36%
2	Yogesh Kumar Sahu	26,16,204	20.71%
3	Sudhir Prasad Sahu (HUF)	21,45,966	16.99%
4	Ekta Sahu	12,86,781	10.19%
5	Binita Sahu	10,75,685	8.51%
6	Krishna Devi	10,57,500	8.37%
7	Yogesh Kumar Sahu (HUF)	6,24,347	4.94%
8	Gyan Prakash Sahu (HUF)	6,16,295	4.88%
9	Sudhir Prasad Sahu	3,85,663	3.05%
<b>Total</b>		<b>1,26,32,971</b>	<b>100.00%</b>

\* The Company has only 9 (Nine) shareholders.

(c) Particulars of the top ten shareholders two years prior to the date of the Prospectus

Sr. No.	Name of shareholder	No. of Shares	% of then Issued Capital
1	Manish Kumar Sahu (HUF)	23,42,215	18.54%
2	Sudhir Prasad Sahu (HUF)	21,45,966	16.99%
3	Rakhi Sahu	11,47,500	9.08%
4	Manish Kumar Sahu	11,23,704	8.90%
5	Krishna Devi	10,57,500	8.37%
6	Ekta Sahu	9,17,400	7.26%
7	Binita Sahu	7,01,000	5.55%
8	Gyan Prakash Sahu	4,82,315	3.82%
9	Yogesh Kumar Sahu	3,45,000	2.73%
10	Yogesh Kumar Sahu (HUF)	2,59,000	2.05%
	<b>Total</b>	<b>105,21,600</b>	<b>83.29%</b>

19. There is no "Buyback", "Standby", or similar arrangement by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares issued / offered through the Prospectus.
20. As on the date of the Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
21. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
22. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE.
23. The Issue is being made through Fixed Price Method.
24. Lead Manager to the Issue viz. Microsec Capital Limited and its associates do not hold any Equity Shares of our Company.
25. Our Company has not raised any bridge loan against the proceeds of this Issue.
26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
27. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
28. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through the Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
29. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
30. We have 9 (Nine) shareholders as on the date of filing of the Prospectus.
31. Our Promoters and the members of our Promoter Group will not participate in this Issue.
32. Our Company has not made any public issue since its incorporation.
33. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.



34. For the details of transactions by our Company with our Promoter Group, Group Companies during the last five Fiscals i.e. 2013, 2014, 2015, 2016 and 2017, please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in the chapter titled ‘*Financial Information*’ beginning on page number 120 of the Prospectus.
35. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page number 97 of the Prospectus.

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue 6,00,000 Equity Shares of ₹10 each by our Company and an Offer for Sale of 29,00,000 Equity Shares of ₹10 each by the Selling Shareholders.

### The Offer for Sale

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders.

### The Fresh Issue

The objects to the Net Proceeds of the Fresh Issue is to meet Working Capital requirement

We believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India. The main objects clause of our Memorandum of Association enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

The other Objects of the Issue / Offer also include creating a public trading market for the Equity Shares of our Company by listing them on SME Platform of NSE.

We confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### Offer Proceeds

The details of the offer proceeds are summarised below:

Particulars	Amount (₹ in lakhs)
Gross Proceeds of the Offer	1,925.00
Proceeds of the Offer for Sale	1,595.00
Less: Company's share of offer expenses	10.25
Net Proceeds of the Fresh Issue (excluding the proceeds of the Offer for Sale and Company's share of Offer Expenses) ("Net Proceeds")	319.75

### Utilisation of Net Proceeds

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

Sr. No.	Particulars	Amount (₹ in Lakhs)	Percentage of Net Proceeds
1.	Working Capital requirement	319.75	96.89%
2.	Issue Expenses*	10.25	3.11%
	<b>Total</b>	<b>330.00</b>	<b>100.00%</b>

\*As on July 06, 2017, our Company has incurred a sum of ₹ 8,36,000/- (Rupees Eight Lakhs Thirty Six Thousand only) towards issue expenses.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

### Public Offer Expenses

The expenses of this Issue/Offer include, among others, underwriting and issue management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. All expenses with respect to the Offer will be paid by and shared between both the Selling Shareholders and the Company. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be

reimbursed by the Selling Shareholders to our Company. However, expenditure with respect to listing fees and Market Making charges will be paid by our Company.

The estimated Offer expenses are as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Total Expenses	% of Total Issue size
1.	Issue Management fees including fees and reimbursements of Market Making fees (1st year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	32.50	65.00%	1.69%
2.	Brokerage and Selling Commission, Underwriting Commission <sup>(1)(2)(3)</sup>	4.50	9.00%	0.23%
3.	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00	10.00%	0.26%
4.	Listing Fees, Market Regulatory & Other Expenses	8.00	16.00%	0.42%
	<b>Total</b>	<b>50.00*</b>	<b>100.00%</b>	<b>2.60%</b>

\*All expenses with respect to the Offer will be shared between the Selling Shareholders and the Company, in proportion to the Equity Shares being offered by them through the Offer except listing fee.

(1) The SCSBs would be entitled to processing fees of ₹10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

(2) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them.

(3) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

**Means of Finance:** We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Net Issue Proceeds	319.75
	<b>Total</b>	<b>319.75</b>

**Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.**

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of loan outstanding as on date of this Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “**Risk Factors**” beginning on page 12 of the Prospectus.

### **Details of Use of Issue Proceeds:**

#### **1. To Meet Working Capital Requirement**

Our Company is engaged in the business of non-basmati rice and basmati rice processing in India. Our Company is a processor and supplier of the varieties of rice, like Minicut, Sharbati, Banskati, Swarna, Sonam, Katarni and Sonachur / Govindbhog etc. Working Capital is needed to support our operations and growth. The Company will meet the requirement to the extent of ₹319.75 lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

Description	(₹ in Lakhs)		
	31-Mar-16	31-Mar-17	31-Mar-18
	Actual	Actual	Estimated
<b>CURRENT ASSETS</b>			
Inventories	1,264.99	1,394.69	2,004.14
Trade receivables	45.53	146.36	454.00
<b>Total of Current Assets</b>	<b>1,310.52</b>	<b>1,541.05</b>	<b>2,458.14</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	88.45	87.26	119.80
<b>Total of Current Liabilities</b>	<b>88.45</b>	<b>87.26</b>	<b>119.80</b>
<b>Total Working Capital Gap</b>	<b>1,222.07</b>	<b>1,453.79</b>	<b>2,338.34</b>
Less: Borrowings	1,036.61	1,234.78	1,700.00
<b>Net Working Capital</b>	<b>185.46</b>	<b>219.01</b>	<b>638.34</b>
<b>Additional margin to be funded from Net Proceeds</b>	<b>-</b>	<b>-</b>	<b>319.75</b>

#### **Justification:**

S. No.	Particulars
<b>Debtors</b>	We expect Debtors Holding days to be at 10 days for FY 2017-18 based on increased sales.
<b>Creditors</b>	We expect Creditors payments days to be 3 days for FY 2017-18.
<b>Inventory - Finished Goods</b>	We expect Inventory level of Finished Goods to maintain to be at 12 days for FY 2017-18.
<b>Inventory- Raw Material</b>	We expect Inventory level of Inventory- Raw Material to maintain to be at 30 days for FY 2017-18.

#### **2. Public Issue Expenses:-**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹50.00 Lakhs (inclusive of all applicable taxes) which is 2.60% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Issue Management fees including fees and reimbursements of Market Making fees (1st year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	32.50
2.	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs	4.50
3.	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00
4.	Listing Fees, Market Regulatory & Other Expenses	8.00
	<b>Total</b>	<b>50.00</b>

### **Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

Sr. No.	Particulars	Amount to be deployed utilized	
		(₹ In Lakhs)	
		F.Y. 17-18	
1.	To Meet Working Capital Requirement	319.75	
<b>Total</b>		<b>319.75</b>	

### **Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s. N K Kejriwal & Co., Chartered Accountants vide their certificate dated. July 6, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amount (₹ in Lakh)
Issue Expenses	8.36
<b>Total</b>	<b>8.36</b>

*\*Amount inclusive of applicable taxes*

### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s. N K Kejriwal & Co., Chartered Accountants vide their certificate dated July 6, 2017, have confirmed that as on date of certificate the following are the source of fund for the proposed object of the Issue:

Particulars	Amount (₹ in Lakh)
Internal Accruals	8.36
<b>Total</b>	<b>8.36</b>

### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or borrowings.

### **Bridge Financing Facilities**

As on the date of this Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.



Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoters, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key managerial personnel or our Group Companies, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR OFFER PRICE

The Offer Price of ₹55/-per Equity Share has been determined by our Company and the Selling Shareholders, in consultation with the LM on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is 5.5 times the face value. The financial data presented in this section are based on our Company's restated financial statements.

### Qualitative Factors

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Our Business" beginning on page 76 of this Prospectus.

### Quantitative Factors

#### 1. Basic & Diluted Earnings Per Share (EPS):

Period	Basic and Diluted EPS (₹)	Weightage
Fiscal 2017	0.81	3
Fiscal 2016	0.68	2
Fiscal 2015	0.72	1
<b>Weighted Average</b>	<b>0.75</b>	

#### 2. Price to Earnings (P/E) ratio in relation to Offer Price of ₹55:

Particulars	P/E at the Offer Price (₹ 55)
a. Based on 2016-17 EPS of ₹ 0.81	67.90
b. Based on weighted average EPS of ₹ 0.75	73.33

Industry P/E	
▪ Highest –	56.95
▪ Lowest –	22.73
▪ Average	39.84

Source: Based on the closing price as on June 23, 2017

#### 3. Return on Net Worth

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2017	7.43	3
Year ended March 31, 2016	6.71	2
Year ended March 31, 2015	7.36	1
<b>Weighted Average</b>	<b>7.18</b>	

#### 4. Minimum Return on increased Net Worth required to maintain pre-Offer EPS.

The minimum return on increased net worth required maintaining pre-Offer EPS for the Fiscal 2017:

##### A) Based on Basic and Diluted EPS of ₹ 0.81

a. At the Offer Price of ₹ 55: 6.26% based on restated financial statements.

##### B) Based on Weighted Average EPS of ₹ 0.75

a. At the Offer Price of ₹ 55: 5.79% based on restated financial statements.

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

- As of March 31, 2017, ₹ 10.95
- NAV per Equity Share after the Offer ₹ 12.95
- Offer Price per Equity Share is ₹ 55.00

## 6. Comparison of Accounting Ratios

Particulars	Face Value ₹	EPS (₹)	P/E Ratio	RONW (%)	NAV (₹)
Kohinoor Foods Limited*	10	(42.17)	-	-	75.70
KRBL Limited*	1	17.04	23.08	21.43%	79.51
LT Foods Limited*	1	1.13	59.03	8.31%	13.60
Sri Krishna Metcom Limited #	10	0.81	67.90	7.43%	10.95

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

\*Based on March 31, 2017 standalone financial statements as reported to BSE and the closing price on BSE as on July 6, 2017 is considered to calculate P/E Ratio

#Based on March 31, 2017 restated financial statements

*The peer group identified is broadly based on the product lines that we are into, but their scale of operations is not comparable to us.*

The face value of Equity Shares of our Company is ₹10 per Equity Share and the Offer price is 5.5 times the face value.

The Offer Price of ₹55 is determined by our Company and the Selling Shareholders in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page numbers 12, 76 and 120, respectively of this Prospectus.



## STATEMENT OF TAX BENEFITS

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

To,  
The Board of Directors,  
**SRI KRISHNA METCOM LIMITED**  
504, Mangal Murti Heights,  
5th Floor, Rani Bagan,  
Harmu Road,  
Ranchi - 834001  
Jharkhand

With reference to proposed Issue and Offer of the Equity Shares of **SRI KRISHNA METCOM LIMITED** (hereinafter referred to as “the Company”), we are enclosing herewith a Statement stating the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘the Act’) as amended by the Finance Act, 2017, as applicable to Financial Year 2017-18 relevant to Assessment Year 2018-19, for inclusion in the Draft Prospectus and the Prospectus (“Prospectus”) for the proposed issue of shares. Several of these benefits are dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled. Additionally, in respect of the Company benefits listed, the business imperatives faced by the Company in the future will also affect the benefits actually claimed.

The benefits discussed in the enclosed annexure covers 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. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive.

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;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;

The contents stated in the Annexure are based on the information and explanations 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.

This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

The enclosed annexure is intended for your information and for inclusion in the Draft 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.

**Place:** Ranchi  
**Dated:** July 6, 2017

**For N K Kejriwal & Co.**  
Chartered Accountants  
FRN: 004326C

CA Sumeet Kumar  
**Partner M. No. 410224**



**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SRI KRISHNA METCOM LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. 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 it faces in the future, it may not choose to fulfill.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

NIL

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.

**Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to 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 or intentional misconduct. We will not be liable to any other person in respect of this statement.

**Place:** Ranchi  
**Dated:** July 6, 2017

**For N K Kejriwal & Co.**  
Chartered Accountants  
FRN: 004326C

CA Sumeet Kumar  
Partner M. No. 410224

## SECTION IV – ABOUT THE COMPANY

### OUR INDUSTRY

#### **Global Economy:**

After a lacklustre outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The Global Economy grew at 3.1 % in 2016, 3.2% in 2015. The expected growth rates for 2017 is 3.4% and that of 2018 is 3.6%.

The advance economies grew at 1.6% in 2016 compared to 2.1% in 2015. The advance economies are expected to grow at 1.9% in 2017 and 2.0% in 2018. This forecast is particularly uncertain in light of potential changes in the policy stance of the United States under the new administration. Growth projections for 2017 have also been revised upward for Germany, Japan, Spain, and the United Kingdom, mostly on account of a stronger-than-expected performance during the latter part of 2016. These upward revisions more than offset the downward revisions to the outlook for Italy and Korea.

The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in Emerging Market and Developing Economies (EMDE). EMDE growth is at 4.1 % in 2016, with India and China being major contributors to the growth. EMDE growth is projected to reach 4.5% for 2017 and a further pickup of 4.8 % in 2018. Chinese economy grew at 6.7% in 2016 as against 6.9% in 2015. The growth rate in China is expected to be 6.5% in 2017, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil, as well as in Turkey, which faced a sharp contraction in tourism revenues. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices. The growth in five major ASEAN countries (Indonesia, Malaysia, Philippines, Thailand and Vietnam) remain unchanged at 4.8% both in 2015 and 2016. The expected growth rate for these countries is 4.9 in 2017 and 5.2% in 2018.

*Source: IMF World Economic Outlook 2017 (January'17 and April,17)*

#### **Indian Economy:**

With 1.2 billion people and the world's fourth-largest economy, India's recent growth and development has been one of the most significant achievements of our times. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.

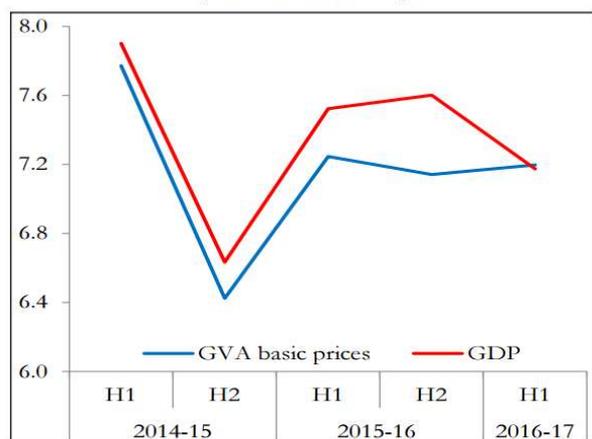
India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.

According to IMF World outlook 2017 (January'17) India is one of the fastest growing economy in the world. The GDP growth of India is 7.6% in 2015 and 6.6% in 2016. The expected GDP growth for 2017 is 7.2% and that of 2018 is 7.7%.

Real GDP growth in the first half of the 2016 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.

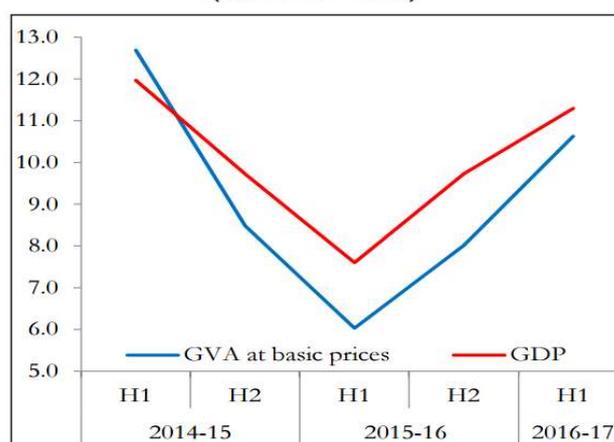
The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners 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 1a).

**Figure 1a. GVA and GDP Growth (Constant Prices)**



Source: CSO

**Figure 1b. GVA and GDP Growth (Current Prices)**

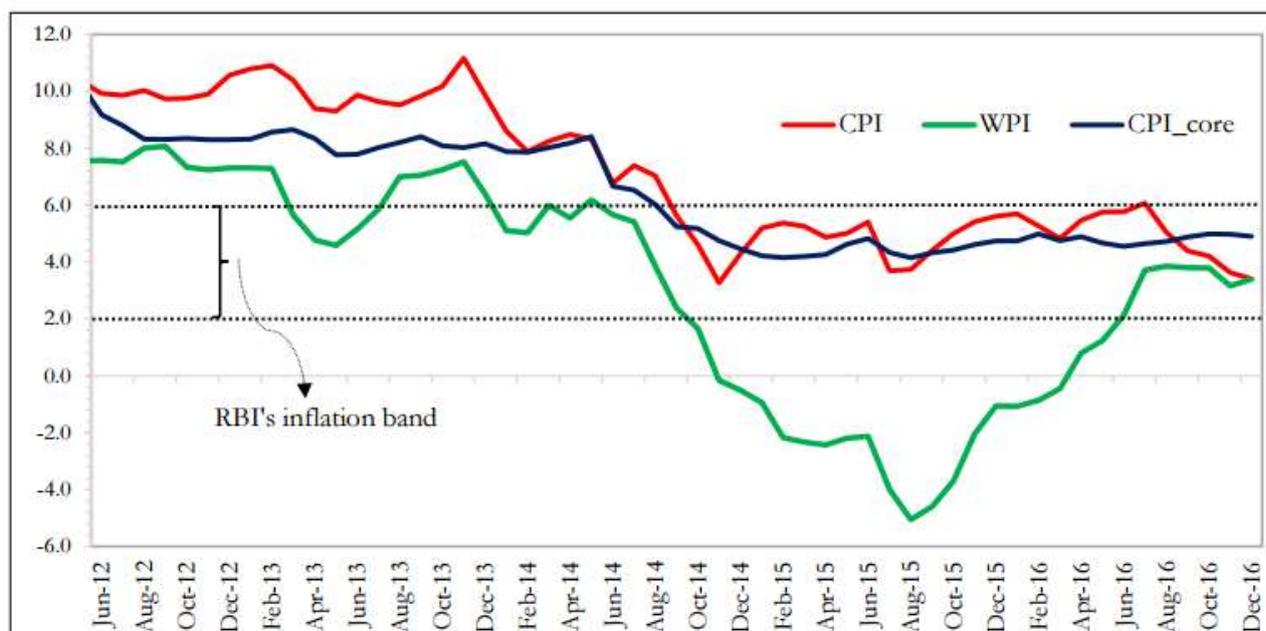


Source: CSO

Inflation this year has been characterized by two distinctive features (Figure 2). 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 (Figure 2), on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP, 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.

**Figure 2. WPI and CPI Inflation**



Source: CSO

The Year 2016-17 earmarked the two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism.

Demonetisation has had short-term costs but holds the potential for long term benefits. Follow-up actions to minimize the costs and maximise the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing land and real estate into the GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18, following a temporary decline in 2016-17. In the aftermath of demonetisation, and at a time of gathering gloom about globalisation, articulating and embracing those ideational shifts will be critical to ensuring that India's sweet spot is enduring not evanescent.

Source: Economic Survey 2016-17, Ministry of Finance, Department of Economic Affairs

### **Agriculture Industry**

Agriculture plays a vital role in India's economy. 54.6% of the population is engaged in agriculture and allied activities (census 2011) and it contributes 17% to the country's Gross Value Added (current price 2015-16, 2011-12 series). Given the importance of agriculture sector through Pradhan Mantri Krishi Sinchai Yojana (PMKSY), to support organic farming through Paramparagat Krishi Vikas Yojana (PKVY) and to support for market to boost the income of farmers. Further, to mitigate risk in agriculture sector a new scheme "Pradhan Mantri Fasal Bima Yojana" (PMFBY) has been launched for implementation from Kharif 2016.

As per the land use statistics 2013-14, the total geographical area of the country is 328.7 million hectares, of which 141.4 million hectares is the reported net sown area and 200.9 million hectares is the gross cropped area with a cropping intensity of 142 %. The net sown area works out to be 43% of the total geographical area. The net irrigated area is 68.2 million hectares.

Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation has released the New Series of National Accounts, based upon revising the base year from 2004-05 to 2011-12. As per the estimates the Agriculture and Allied sector contributed approximately 17.0% of India's Gross Value Added (GVA) at current prices during 2015-16. Gross Value Added (GVA) of Agriculture and Allied sector and its share in total GVA of the country during the last 4 years including the current year, at current prices is as follows:

### **Share of Agriculture and Allied sectors in Total GVA**

Rs. in Crores

Items	Year			
	2012-13	2013-14	2014-15	2015-16
<b>GVA of Agriculture and allied sector</b>	16,80,797	19,02,452	19,95,251	20,93,081
<b>Percent to total GVA</b>	18.2	18.3	17.4	17.0

Source: Annual Report-2016-17, Department of Agriculture Cooperation and Farmers welfare, Ministry of Agriculture and Farmers Welfare, GOI

There has been a continuous decline in the share of Agriculture and Allied sector in the GVA from 18.2 percent in 2012-13 to 17.0 percent in 2015-16 at current prices. Falling share of Agriculture and Allied sector in GVA is an expected outcome in a fast growing and structurally changing economy.

Growth (over the previous year) in the Total GVA of the Economy and that in the GVA of Agriculture and Allied sector at 2011-12 basic prices is given below:

Period	Total GVA	Agriculture & Allied sector GVA
2012-13	5.4	1.5
2013-14	6.3	4.2
2014-15	7.1	-0.2
2015-16	7.2	1.2

Source: Annual Report-2016-17, Department of Agriculture Cooperation and Farmers welfare, Ministry of Agriculture and Farmers Welfare, GOI

As per the First Advance Estimates (AE) released by Ministry of Agriculture and Farmers Welfare on 22nd September 2016, production of Kharif food-grains during 2016-17 is estimated at 135.0 million tonnes compared to 124.1 million tonnes in 2015-16 (see the table below)

Crops	In million tonnes	
	2015-16	2016-17

Total Kharif food grains	124.1	135.0
Rice	90.6	93.9
Total Coarse Cereals	27.9	32.5
Total Pulses	5.6	8.7
Total Oil Seeds	19.9	23.4
Sugar Cane	341.4	305.2
Cotton	33.5	32.1

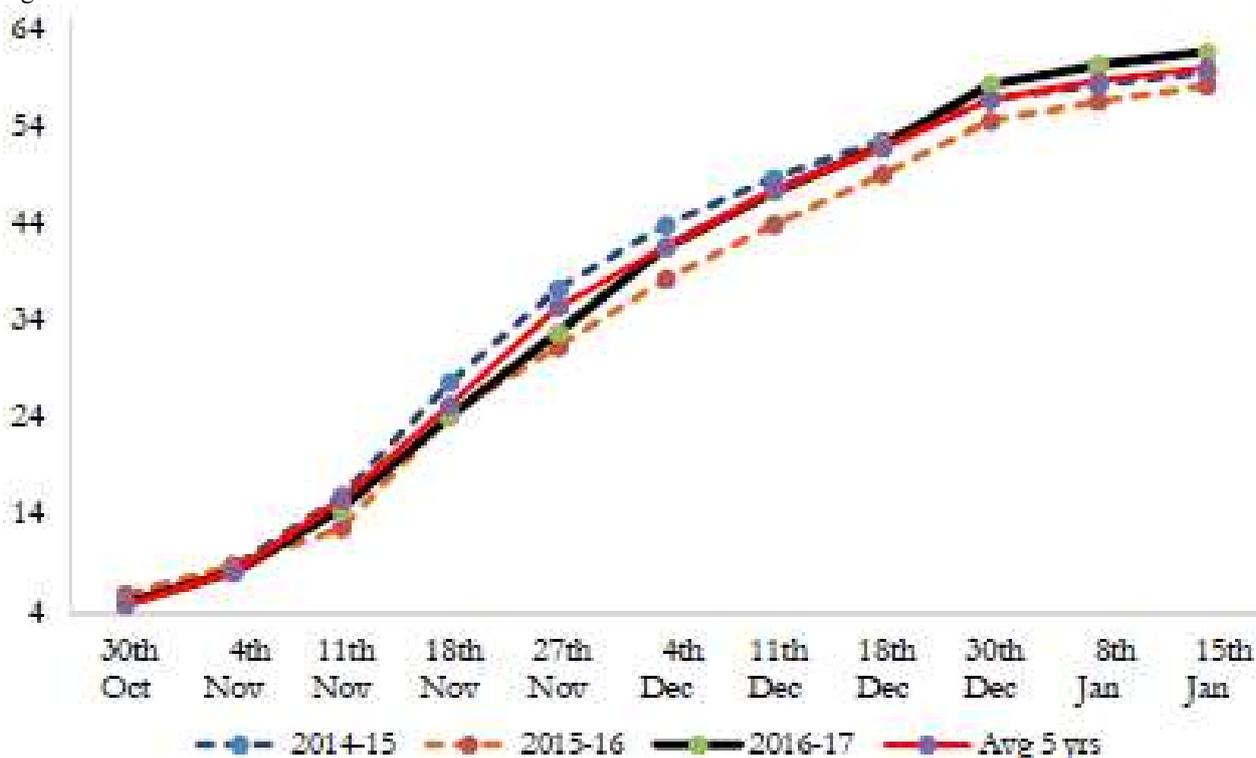
### Kharif Crops

During 2016-17, area sown upto 14th October, 2016 under all kharif crops taken together was 1075.7 lakh hectares which was 3.5 per cent higher compared to 1039.7 lakh hectares in the corresponding period of 2015-16 (Appendix A2). Arhar registered the maximum percentage increase in acreage during the Kharif season 2016-17 compared to the previous year. 8.48 The rabi crops' sowing is in progress.

### Rabi Crops

The area coverage under rabi crops (total area) as on 13th January 2017 for 2016-17 at 616.21 lakh hectares is 5.9 per cent higher than that in the corresponding week of last year (Figure 1). The area coverage under wheat as on 13th January 2017 is 7.1 per cent higher than that in the corresponding week of last year. The area coverage under gram as on 13th January 2017 is 10.6 per cent higher than that in the corresponding week of last year (Figure 1)

Figure-1



### Rainfall Distribution

During the South West Monsoon Season (June-September) of 2016 the country as a whole received rainfall which was 97 per cent of its long period average (LPA). The actual rainfall received during this period was 862.0 mm as against the LPA at 887.5 mm. Out of the total 36 meteorological subdivisions, 4 subdivisions received excess rainfall, 23 subdivisions received normal rainfall and the remaining 9 subdivisions received deficient rainfall.

Long Period Average versus Actual South West monsoon Season rainfall (June to September) in 2016:

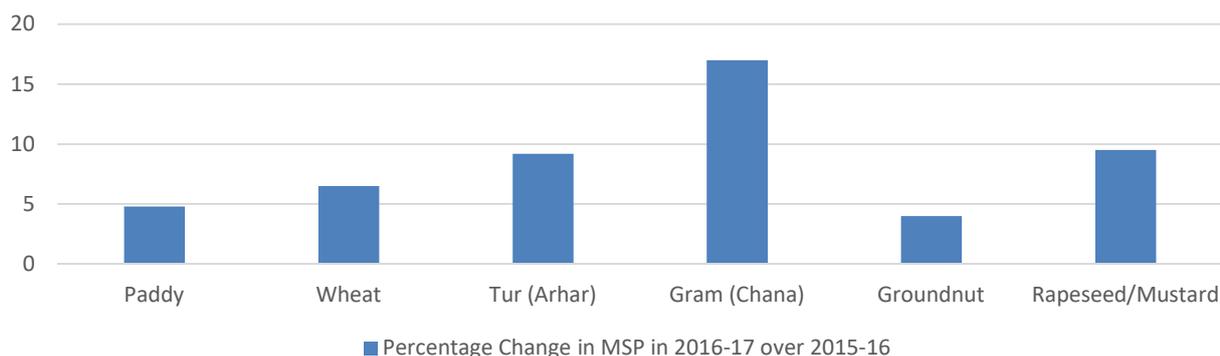
Region	LPA (mm)	Actual Rainfall (mm)	Rainfall (% of LPA)
All India	887.5	862.0	97
Northwest India	615.1	584.2	95
Central India	975.3	1034.1	106
Northeast India	1437.8	1281.5	89

South India	715.6	661.5	92
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### **Minimum Support Prices**

Minimum Support Price (MSP) is the price at which government purchases crops from the farmers, whatever may be the price for the crops. MSP is an important part of India's agricultural price policy. This price policy of Government is for major agricultural commodities which seeks to ensure remunerative prices to the farmers to encourage higher investment and production, and to safeguard the interest of consumers by making available supplies at reasonable prices. The MSPs of major crops during the last two years are presented in chart below. During 2016-17, MSPs were raised substantially mainly for pulses to incentivize farmers to cultivate Pulses.

Percentage Change in MSP in 2016-17 over 2015-16



Source: CSO

Source: Annual Report-2016-17, Department of Agriculture Cooperation and Farmers welfare, Ministry of Agriculture and Farmers Welfare, GOI

### **RICE**

India is one of the major rice producing, consuming and exporting countries in the world. India continued to be the world's largest rice exporter for the fourth consecutive year. India has exported about 42MT by averaging 10.5-11 MT (25% of World Trade) annually during the last four years since 2011.

It has a significant competitive edge in rice exports due to combination of external factors, domestic market dynamics, high yielding and better paddy quality, low cost of paddy production and efficient execution of contracted business both from east and west coast ports of India. India's rice industry has seen a transformation in the last decade, with growth of branded business in the domestic market and a strong impetus to export. This is reflected in the growth rates of leading Indian rice companies, with CAGRs ranging between 20% and 30% in value terms over the last four years.

Domestic business has also become more attractive in India with growth in branded rice and modern retail. Due to its importance as an essential food grain with high price sensitivities, rice in the past was perceived as a low engagement category from the consumers' buying perspective. Driven by increases in disposable incomes, urbanisation, women's participation in the workforce and a younger population, consumer lifestyles have changed over the last one-and-a-half decades. People now have a higher propensity to spend, paired with a desire for convenience, and increased availability and access to quality products.

The cereals segment is seeing traction towards better-quality and premium products. This is evident in the rice category, as consumers are shifting their purchasing patterns from loose rice to packaged, branded products with better colour, grain size and improved post-cooking attributes, such as aroma and taste.

### **Basmati**

India is the leading exporter of the Basmati Rice to the global market. The country has exported 4.04 MT of Basmati Rice to the world for the worth of Rs. 22718.44 crores during the year 2015-16.

Major Export Destinations (2015-16): Saudi Arabia, Iran, United Arab Emirates, Iraq and Kuwait.

(Source: [http://apeda.gov.in/apedawebsite/SubHead\\_Products/Basmati\\_Rice.htm](http://apeda.gov.in/apedawebsite/SubHead_Products/Basmati_Rice.htm))

### **Non- Basmati**

The country has exported 6.36 MT of Non Basmati Rice to the world for the worth of Rs. 15129.09 crores during the year 2015-16.

Major Export Destinations (2015-16): Senegal, Benin, Nepal, Cote D Ivoire and Guinea.

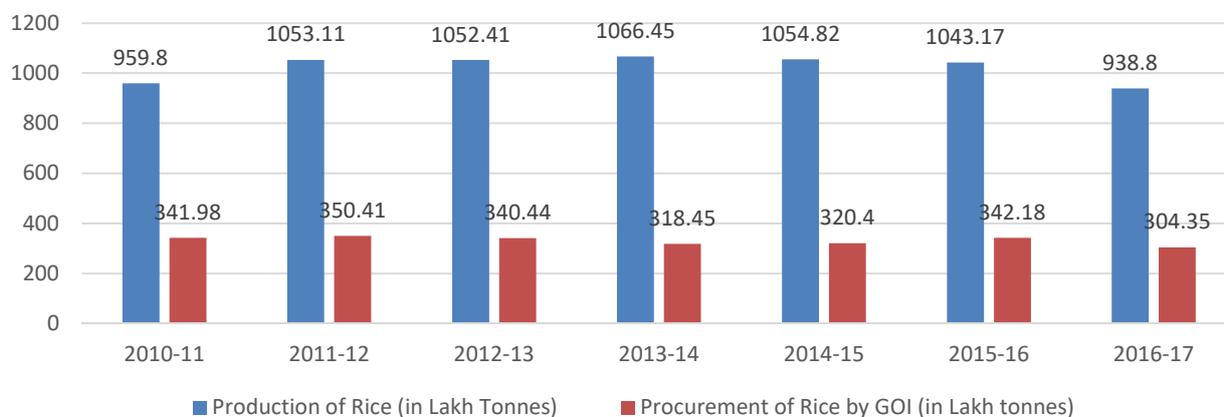
(Source: [http://apeda.gov.in/apedawebsite/SubHead\\_Products/Non\\_Basmati\\_Rice.htm](http://apeda.gov.in/apedawebsite/SubHead_Products/Non_Basmati_Rice.htm))

### MSP

The Government procures their rice output at a pre-decided price – the minimum support price (MSP). The MSP for rice in FY 2015-16 were increased by Rs. 50 to Rs.1,410 per quintal. During the 16-17, various government agencies procured a total of 304.35 Lakh tonnes of rice. The minimum support price for FY 2016-17 has been increased by Rs. 60 to Rs. 1,470 per quintal.

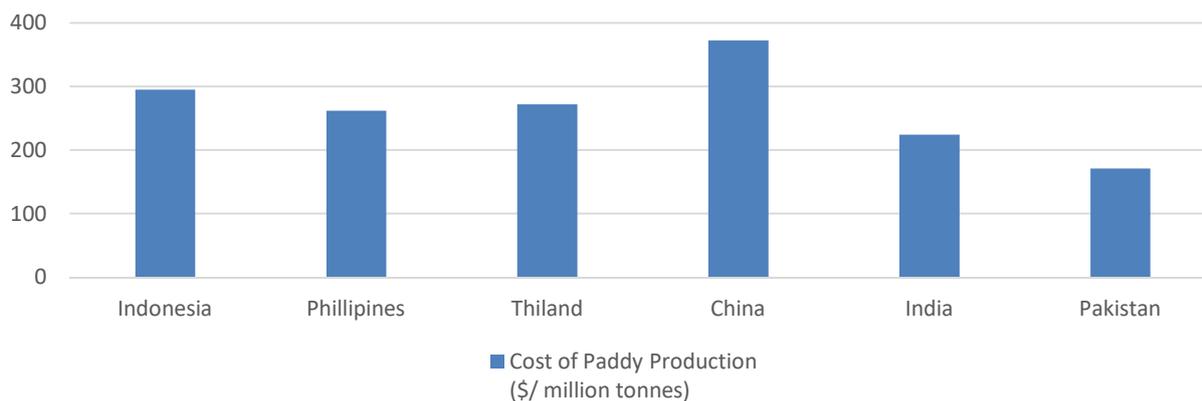
### Top 10 Rice producing states in India

<http://www.mapsofindia.com/top-ten/india-crops/rice.html#>



Source: Department of Food and Distribution, GOI

### Cost of Paddy Production (\$/ million tonnes)



## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 120 and 137, respectively, of this Prospectus.*

*In this section, unless otherwise stated, references to "the Company" or to "we", "us" and "our" refers to Sri Krishna Metcom Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.*

### OVERVIEW

Our Company was incorporated as Sri Krishna Metcom Limited, as a public limited company, under the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2008. Our Company is in the business of processing of non-basmati and basmati rice in India. We are the one of the largest processors of non-basmati rice with a milling capacity of 350 Metric tons per day in the State of Jharkhand. We process varieties of rice with the help of state of the art plant and machinery of International Standards i.e. Automatic Ultra Modern State of Art Buhler's Swiss Technology Rice Mill. We serve to our consumers healthy, hygienic, tasty and nutrient rice.

We have started commercial production in November, 2013. Today, our Company is a processor and supplier of the varieties of rice like Long Grain, Medium Grain, Short Grain, Minicut, Sharbati, Banskati, Swarna, Sonam, Katarni and Sonachur / Govindbhog etc. The non-basmati rice is processed at our processing plant located in the village Bandheya, Piska Nagri, Ranchi in the State of Jharkhand in India. The State of Jharkhand is considered as the Rice Bowl of India producing one of the best qualities of rice.

Our Company has established an Ultra Modern Highly Automated Continuous Buhler's Swiss Technology Paddy Processing & Rice Milling Plant with a installed capacity of 16 Tones per hour. We have established ourselves as one of the Industry Leader in a short span of time with a storage capacity of 25,000 Metric tons and milling capacity of 1,26,000 Metric tons per year.

With the help of advanced infrastructure, experienced & well trained professional personnel, quality control & labs supports, our policy and commitment to produce the best quality rice, we have been able to establish ourselves as one of the best processors of non-basmati rice in the State of Jharkhand.

Our brands 'BABA', 'PANCHAKANYA', 'SINGHAM' and 'MIDDU BHAI' are well accepted for their quality and standard in the market we operate across Eastern India. Presently, we are also doing job work for other rice traders.

We are backed by a strong infrastructural base, which is well equipped with latest technology, advance machines and equipments which assist us in maintaining the quality and quantity of the rice. We have a strong focus on manufacturing process and have a full-fledged quality testing laboratory and well qualified and experienced personnel. All raw materials and consumables are tested at various stages in processing process as per stipulated standards to ensure good quality products.

The Company's management is in the industry of rice processing since 2007 and has become a pioneer in experimenting and developing the best qualities of rice.

We operate from our Registered Office located at 504, Mangal Murti Height, Harmu Road, Ranchi – 834001, Jharkhand, India. Our processing plant is situated at village Bandheya, Piska Nagri, Ranchi.

Our company's revenues and profit after tax for the year ended March 31, 2017 were ₹8,195.85 Lakhs and ₹102.83 Lakhs, respectively.

The break-up of our revenue for FY 2017 from sale of products is as under:

Serial No.	Product Category	Revenue ( Rs in lacs)	% age contribution to revenue from sale of products
1.	Basmati Rice	95.50	1.27%
2.	Non Basmati Rice	6,308.90	84.18%
3.	Rice Bran	1090.00	14.54%
	<b>Total</b>	<b>7,494.40</b>	<b>100.00%</b>

As rice is the basic grain of daily consumption in India, it always has a significant demand. The availability of paddy is seasonal. To identify the appropriate demand and meet them properly in a profitable way is the primary challenge of the rice supply chain. A proper supply chain management framework is very essential for efficient sourcing,

processing, distribution, and retailing and hence meeting the customer demands without facing a situation of lost sales. Production and business of rice has been one of the most traditional and major concerns of Indian Economy, but still no proper supply chain framework for it has been developed, which very often causes unfulfilled demands, stock outs and overstocking, and distribution issues. The main reason behind not getting proper attention is that the rice industry has always been treated as the subject of Agricultural Economics and has never been able to portray itself as a topic of supply chain studies. Most of its operations are very traditional which need to be reformed if it has to gain competitive advantage in the era of globalisation.

We presently market our products mainly in Jharkhand, Bihar, Odissa, West Bengal, Andra Pradesh, Chattisgarh, Delhi NCR and Rajasthan. We dominate major market share in Jharkhand districts viz., Ranchi, Simdega, Khuti, Ramgarh, Hazarbagh, Gumla, Lohardaga and East Singhbhum, and our brands get priority over other brands with a premium. Our brands 'BABA', 'PANCHAKANYA', 'SINGHAM' and MIDDU BHAI' are well known and highly demanded products in these areas.

Eastern Region comprise of West Bengal, Bihar, Jharkhand, Odissa & UP having population of around 35 crores+ (30% of National Population) with rice as main staple food. This region is called as rice bowl of India as 35% of total rice is cultivated in this region which is inhabited by about 35% of the country's population. Further, non-basmati rice of various varieties is grown in this region.

There is huge demand of rice (somewhere round 22 million tons) in this region, whereas only 25-30% market is occupied by branded rice as of now. Now, the people are conscious about the quality, and day by day demand for branded and packed rice is growing.

We have very strong network of around 400+ wholesalers, semi wholesalers and retailers in Jharkhand, Bihar and Odissa. Majority of these counters are rice counters only and our brand are one of the most acceptable brands by customers in these areas. Out of the above 400+ counters, 30% are wholesalers and rests are semi wholesalers and retailers. We supply rice in Ranchi and surrounding areas in lot size of 5 MT to retailers and 20MT to wholesalers.

In Jharkhand there are 90+ small traditional & modern rice mills and majority of them either have bulk market or are dependent on Bihar market, where rate prevails over brand. We focus on quality and service. We have consistent supply in market, and this has created a strong goodwill of our Company among our customers.

Indeed there is a stiff competition in non-basmati rice but we command over our competitors based on our product quality, lower cost of production in comparison to others, product price, our consistent, strong marketing network, strong brand presence, varieties in Non-Basmati Rice.

We are now moving ahead in other regions like Delhi NCR, Rajasthan and Haryana and also targeting for export.

In Non-Basmati segment, there is no national player or any brand that cater the whole of India. National Players like KRBL, LT Foods, Kohinor etc. are in Basmati Rice segment and they compete in that segment only. In Non-Basmati segment, regional units / brands have competition among themselves. In Eastern Region we are the largest manufacturer with only mill to process all varieties of rice. Burdwan, West Bengal, is a hub for rice but mostly mills are traditional and smaller in size. They process paddy and sell in bulk without branding. Further, there is significant difference in quality in the rice as well.

The brief financials of our company for the last three financial years are as under:

**Rs. in Lakhs**

Particulars	2015	2016	2017
Net Worth	1,194.78	1,280.75	1,383.58
Revenue	7,902.68	8,103.86	8,210.65
Net Profit	87.98	85.96	102.83

## OUR STRENGTHS

### • Qualified & Experienced Team

The Promoters and the senior management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. Our Chairman & Managing Director, Mr. Yogesh Kumar Sahu has more than 20 years of experience in the food processing industry. We believe that our management team's experience and their understanding of the food processing business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent distributors, and fluctuations in prices. For further details on education, experience and other details of our



Management and our Key Managerial Personnel, kindly refer to the Chapter titled “Our Management” beginning on page no. 97 of this Prospectus.

- **State of the art rice processing plant**

We process varieties of rice at our state of the art rice processing plant using machinery of International Standards i.e. Automatic Ultra Modern State of Art Buhler’s Swiss Technology Rice Mill.

Our plant is a single line rice mill which has set a new industry standard in producing parboiled rice, maximising yield and minimising product breakage and delivering consistent product quality.

Our Plant consists of continuous parboiling and drying line with Buhler’s latest and ultra modern Husker, Paddy Separator, Polisher, Destoner, Silky, Sortex and graders. Further, our plant is being operated under guidelines and supervision of Buhler’s trained and qualified engineers and technologists.

With latest technology, advance machines and equipments we maintain the quality of the rice in a best possible manner.

- **Product Brand**

Our brands ‘BABA’, ‘PANCHAKANYA’, ‘SINGHAM’ and MIDDU BHAI’ are well accepted by the ultimate consumers for their quality and standard in the market we operate across Eastern India. This also helps us in developing a strong relationship with our wholesalers and retailers as they have to put in minimal effort in selling of our products.

- **Recognised and Established Customer Base**

With our quality products and regular supply, we have earned a huge customer base across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal. The customers are wholesalers as well as retailers, which reflects the acceptability of the products offered by us. We process all types of non-basmati rice for all sections of the society, and the same is well accepted by our target customers, thereby help us to connect well with our wholesaler and retailers.

## **OUR STRATEGIES**

- **Expansion of operations**

Our Company is one of the largest processor of non-basmati rice in the State of Jharkhand with a milling installed capacity of 350 Metric tons per day and 1,26,000 Metric tons per year and a storage capacity of 25000 Metric tons. Presently, we operate at 85% capacity utilization which also includes job work for others. Our plant has a ‘state of the art’ technology and design. Our brands have been well accepted and we have a huge demand for our product in the market we operate. Hence, we believe that once we state operating at full scale for our own brands in future; we should be able to grow our revenues and results of operations.

Presently, our products are available in 5 Kgs, 10 Kgs, 25 Kgs and 50 Kgs pack sizes. We have also launched consumer pack of 1Kg. in premium non-basmati rice. This is the first time any miller is bringing the non-basmati rice in such small pack size. This will also increase our customers base in the regions we operate.

- **Enhance customer base by entering new geographies:**

We seek to expand and enhance our presence in our existing business segments by identifying markets where we can make our product available to our target customers. This will be a strategy that our Company will adopt in the near and middle term. Our Company continues to explore opportunities in numerous states in the country where it can supply its products to enhance its geographic reach. We are moving ahead in new Regions like Delhi NCR, Haryana and Rajasthan where there is huge consumption of Non-Basmati Rice. Further we are also planning for export to Gulf countries. We have also started Basmati Segment recently.

Further, we are exploring the market for premium qualities viz., Govind Bhog, Sonam, BPT/Katarni in raw & steam etc. There is huge demand supply gap in these products in the State like Odissa, Maharashtra, Andra Pradesh and Karnataka, which have huge demand of these products.

- **Maintaining Quality Standards**

Our driving force has always been the quality of our products, as the same would enable us for long standing relationship with our customers and acceptability by consumers. Our dedicated team ensures quality testing and control of our products on an on-going basis. Each batch of precuts is tested for its quality and standard. This is

necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value. Our technically qualified persons are determined to achieve the objective of zero defects and zero rejection. Further, we have enhanced our efficiency by introducing advanced machinery and reducing our dependency on manual labour thereby capitalizing our method of processing. This enables us to achieve our aim of providing quality products on a continuous basis.

- **Expansion of Product range**

Our Company proposes to expand product range by introducing new variety of rice, in addition to our existing product range, in the new geographies we expand based on the demand for the type of rice in that region. Further, as we are well placed in the market we operate, having well established distribution network and our product enjoys preference over our competitors' product in terms of quality, we may also expand our processed food product portfolio.

- **Augment our working capital base in order to scale up business operations**

Our business of processing rice is working capital intensive. Rice is derived from paddy, which is a seasonal crop. We need to maintain sufficient inventory for the production process during the cultivation period of paddy. We buy the paddy from the local farmers in cash, thus we require significant liquid fund during the harvesting season. Since, we are not fully utilising our installed capacities, our growth depends on our ability to increase our utilization over the next few years. We have rice processing capacity of 350 Metric tons per day and 1,26,000 Metric tons per year and a storage capacity of 25000 Metric tons. Hence, in order to effectively operate at full capacity level, we need to have access to a larger amount of liquid funds and sufficient working capital. The same are proposed to be funded from the IPO proceeds and from Banking Facilities. For further details of the proposed working capital requirements of the company, kindly refer to the Chapter titled “*Objects of the Issue*” beginning on page no. 61 of this Prospectus.

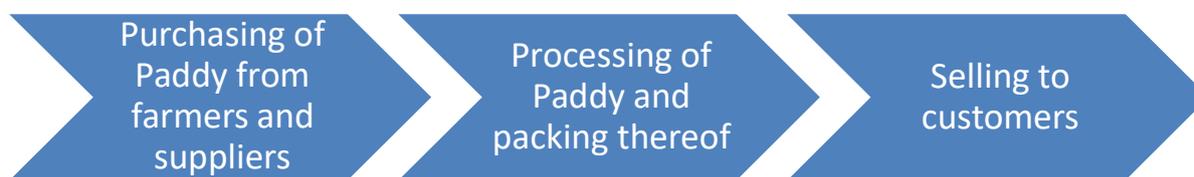
## **BUSINESS MODEL**

Our company is engaged in the business of processing of rice of various types like Long Grain, Medium Grain, Short Grain, Minicut, Sharbati, Banskati, Swarna, Sonam, Katarni and Sonachur / Govindbhog. We are one of the largest processor of non-basmati rice in the State of Jharkhand and we market our products across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal.

We have cordial relations with the farmers growing paddy in and around our plant location and from other suppliers. Rice is derived by processing of Paddy. We procure paddy from the farmers growing paddy in and around our plant location. We also procure paddy from the State of Bihar and West Bengal.

Our company sells the products to various wholesalers and retailers across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal. We also sell the rice bran, being a by-product derived in the processing process of rice, to oil manufacturers.

### **Flowchart of Primary Business Model:**



## **DETAILS OF OUR BUSINESS**

### **OPERATIONS LOCATION**

#### **Registered office:**

Our Registered Office is situated at 504, Mangal Murti Height, Harmu Road, Ranchi – 834001, Jharkhand, India.

#### **Manufacturing Unit:**

Our processing plants located in the village Bandheya, Piska Nagri, Ranchi in the State of Jharkhand in India

## PLANT AND MACHINERY

We have an integrated Ultra Modern Highly Automated Continuous Bühler's Swiss Technology Paddy Processing & Rice Milling plant. We have invested heavily in plant and machinery. Some of our key plant and machinery used by us is entailed below:

- Husker
- Paddy Separator
- Polisher
- Destoner
- Silky
- Sortex
- graders

### DETAILS OF EXISTING PRODUCTS:

Our Company produces various varieties of rice. Some of the major variety of rice produced by us and the description of the same areas under:

<b>A.</b>	<b>Parboiled Rice</b>	<b>Type of Rice</b>
	Baba Rice	Long Grain
	Baba Red	Long Grain
	Panchakanya	Long Grain
	Ranchi Special	Long Grain
	Ranchi Sella	Long Grain
	Krishna Bhog	Medium Grain
	Monchu	Short Grain
	Middhu Bhai	Short Grain
	Baba Super Special	Minicut
	Lucky Baba	Sharbati
	Panchakanya Baskati	Banskati
	Singham Dash	Swarna
<b>B.</b>	<b>Steam Rice</b>	
	Singham Sharbati	Sharbati
	Singham Katarni	Katarni
	Singham Steam Sonam	Sonam
	Baba Steam Sonam	Sonam
	Baba Steam Katarni	Katarni
	Panchakanya BPT Hamesha	Katarni
	Panchakanya Steam Sonam	Sonam
	Panchakanya Steam Katarni	Katarni
<b>C.</b>	<b>Raw Rice</b>	
	Baba Arwa Sonam	Sonam
	Baba Arwa Katarni	Katarni
	Baba Sonachur	Sonachur / Govindbhog
	Sonpari	Mansoori
	Panchakanya Sonachur Mast Mast	Sonachur
	Panchakanya BPT Regular	Katarni
	Panchakanya Arwa Sonam	Sonam
	Panchakanya Sonachur	Govindbhog
<b>D.</b>	<b>Basmati Rice</b>	
	Panchakanya Biryani No. 1	
	Panchakanya Biryani No. 2	
	Panchakanya Biryani No. 3	
	Panchakanya Super Sella	
	Panchakanya Sella	

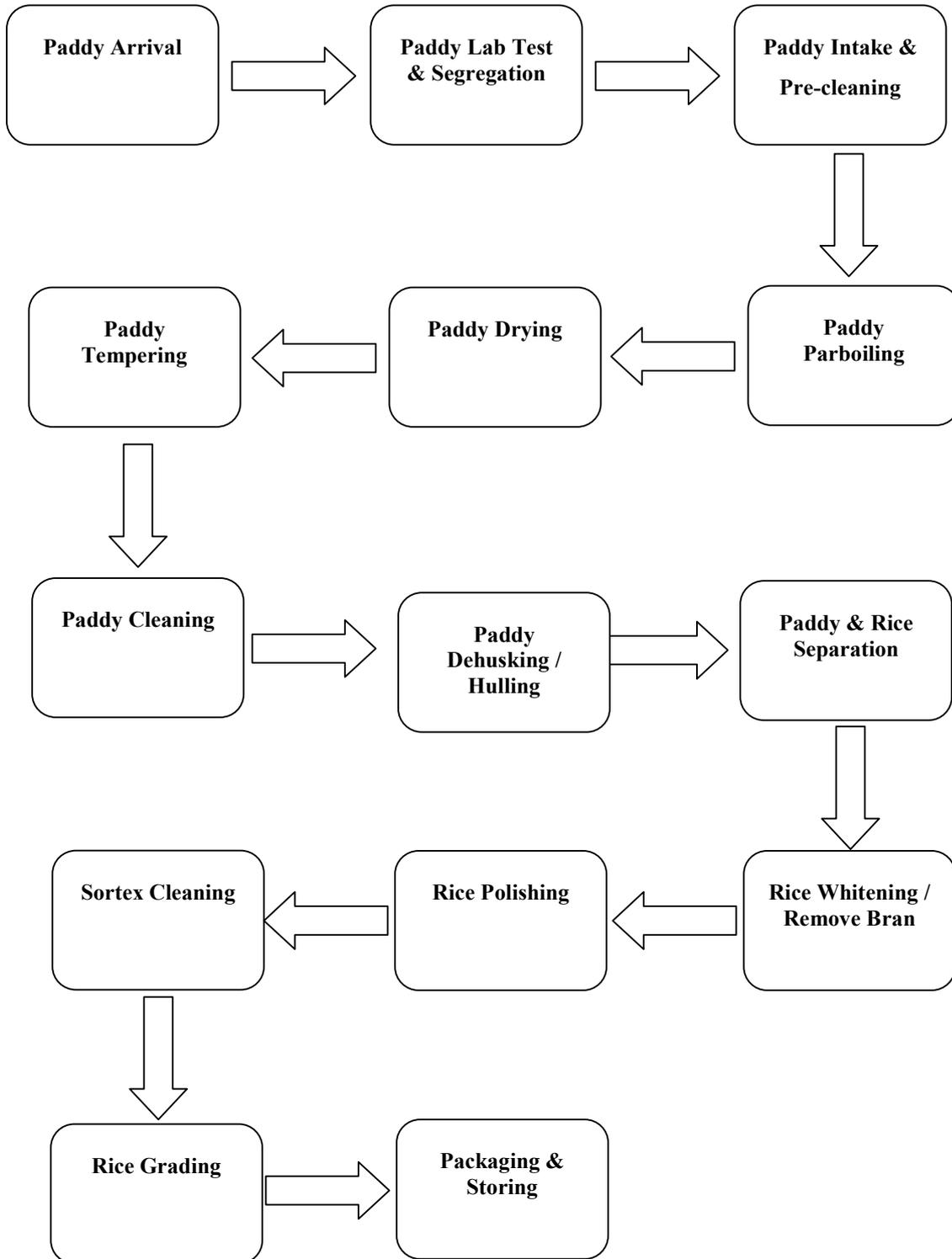
### FINAL USAGE OF OUR PRODUCT:

The rice produced by us is used for human consumption.

## MANUFACTURING PROCESS

The steps involved in the processing of rice are summarized as under:

### PROCESS FLOW CHART



The process is described below:

### 1. Arrival, Lab Testing, Segregation & Storage

Paddy, after arrival at plant, are first sent to lab for testing and after approval, paddy is segregated variety wise and stored in godown / silos or sent for processing.

### 2. Intake & Pre-Cleaning

Paddy after intake is first sent to pre-cleaning for removing all the impurities and unfilled grains from paddy.

### 3. Parboiling at Pre & Final Cooker

Cleaned paddy is fed to pre-cooker for parboiling of paddy. First steam is applied in dry paddy and then water with steam is fed in the cookers for parboiling at certain temperature. After paddy is pre-cooked it is sent to final cooker for further steaming of paddy. The process is continuous @ 16T per hour. The hot water laden paddy is circulated in closed system for certain hours and then water is drained out. After final cooker paddy is stored in tempering bins for certain hours and then discharged for drying.

### 4. 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 dryer till the moisture content reduces to 13-15%. 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 to 11-12%. Automatic control of moisture is possible in this process.

### 5. Cleaning

Paddy with acceptable moisture content is fed to Paddy Cleaner & Destoner where it cleans dust contents & stones or foreign particles from paddy.

### 6. Hulling and Separation

Through an elevator, clean paddy is taken to Rubber Roll Sheller fitted with Husk Blower. In Sheller paddy is shelled and entire husk is blown out through a pipe fitted to the blower. The shelled paddy is then passed through a machine called separator. The separator is a systematic device, which separates, shelled paddy (Brown Rice) from unshelled paddy, which is automatically sent back to the Sheller for being shelled along with fresh feed of paddy.

### 7. Whitening and Polishing

Brown rice at this stage proceeds to primary polisher. The primary polisher removes the brown layer called rice bran from the rice, which moves to the second polisher meant for removing the remaining bran. On removal of the bran from the brown rice, the rice becomes white. White rice is then taken to the final polisher where, while giving the final polish to the rice, a shine is imparted to it and the rice here becomes milky white, an additional polisher may be used to double polish the rice. Throughout the polishing section, the rice moves from one polisher to the other with the help of the elevator and the bran is separated from the rice and blown away with the help of the blowers fitted to each of the polisher. The bran blown up from the machine hall is collected at a different place for sales as a by-product.

### 8. Sortex

After whitening and polishing, rice is sent to sortex for sorting of rejected rice from rice. Rejected rice are discoloured rice viz red and black etc which are removed from rice to get sortex cleaned rice.

### 9. Grading

Grading is the process of removing the broken rice from head rice and sorting them into fraction of different length. This product is further separated by a sequence of indent cylinders into fractions of different broken size.

### 10. Auto Weighing and Packing

In the packing section cooled rice is packed in bags, which are individually weighed and stitched. After stitching the rice bags, they are ready for dispatch or storage.

The above process is for producing Par Boiled Rice. For producing Raw Rice the process and sequence of the milling remain same except that the parboiling process is skipped.

## CLIENT BASE

Our Company has well established network of wholesalers and retailers across Eastern Indian States namely Jharkhand, Bihar, Odisha and West Bengal. At present, Our Company is selling its products to wholesalers and retailers, under the brand name of 'BABA', 'PANCHAKANYA', 'SINGHAM' and 'MIDDU BHAI'.

## RAW MATERIALS

Paddy is the raw material to produce Rice. Paddy is harvested during the Kharif season. Indeed paddy is primarily marketed over a period of 3-4 months starting from November but in Jharkhand it is available throughout the year, only matter is quantity available. Quantity availability of paddy decreases on month and month onwards. Therefore, we stock the paddy from December to February for at least 2-3 months so that we do not have short fall of paddy.

Paddy is procured from farmers directly at the mill gate. Farmers bring the paddy at mill gate on daily basis. Further we also procure paddy through brokers / traders from Jharkhand, Bihar, Uttar Pradesh and West Bengal. Rates are informed to farmers / middleman / brokers / traders on daily basis. The only risk in procurement of paddy is that it is a seasonal product and if the rain does not support then there is a decrease in the quantity of paddy produced and hence shortfall will be there in market which results in increase in price of paddy. We purchase paddy in the lean season from farmers, aggregators and traders at prevailing prices through mandis, adhatias or directly and also have walk in farmers / traders in our plant. We are located in centre of paddy producing states viz., Bihar, West Bengal, Odissa. We have Long Grain from Jharkhand and Bihar whereas premium paddy from West Bengal.

Local Paddy is stored for a period of 2-3 months whereas premium paddy of Bihar, West Bengal & Uttar Pradesh is stored for 5-6 months. We have Paddy Silos, own Godowns inside factory premises, rented godowns outside factory premises which are sufficient for paddy storing required by the plant at present. Paddy stored in silos are rotated by fresh purchase and cycling is done in between two silos, where as Paddy Stored in Godowns are fumigated in time bound manner. We ensure that the quality of Paddy doesn't deteriorate by lowering the moisture content by 1.5-2.5% depending upon the weather conditions

## UTILITIES

### Water

Water is mainly required for Par Boiling of Paddy. We have our own bore wells, which is sufficient for our requirements. We follow "SAVE WATER SAVE ENVIRONMENT" policy and for the same we have installed equipment and process to recycle the water drained from the production process to reuse the same in the production process which support us in saving water significantly. Further, we have effluent treatment plant to recycle the waste water which after treatment is reused for several purposes in plant and quarters.

### Power

We have 1.2 MW power load sanctioned by Jharkhand State Electricity Board and are getting around 20-22 hours power, which is sufficient to run our plant. Further, we have in house power generation for parboiling and drying section need through DG Sets. Our Company has installed DG Sets of 650KVA and the same is adequate to run or plant in case of power cut.

## PACKING MATERIAL

Laminated and non laminated woven sacks, BOPP Pouches, cartoons etc are our main packing materials. Packing Material is directly procured from packing material manufacturers and we have multiple suppliers for supply of packing materials. We ensure maintaining adequate stock levels so that risk of shortage is mitigated. It is stored in store and issued as per production plan. Physical verifications are done by in-house officers on periodic basis to ensure that there is no shortage of packing materials.

## TESTING & QUALITY ASSURANCE

Quality is the guiding force at our Company and total quality control is an integral part of the manufacturing process from raw-material to the finished goods. Our products are rigorously tested in terms of quality.

Quality Management System has been given most importance to meet the customer needs and expectations. In the wake of high competition in all the spheres of business environment it has become more essential to maintain high standards of quality in all the business activities. This is to withstand the stiff competition from the indigenous industry and also to make our product competitive on par with the norms of other organized players. In this background, it has become imperative to establish and maintain a documented quality management system to meet the requirements of the International Standard ISO 9001 – 2008.

## MARKETING AND DISTRIBUTION

We have sufficient marketing team at our office and plant. The marketing team consists of well experienced and qualified people to develop, maintain and increase relations with our customers. Our marketing team also plays an important role in the development of new customer based on their study and feedback from market. Our company maintains quality management system that gives most importance to customer needs and expectations.



Orders are received from wholesalers / dealers / retailers by the marketing team which are accepted by the Accounts department after checking the credit worthiness of the buyer. After approval from the accounts department, the order is forwarded to dispatch section where the quantity to be sold is taken from the available stock. In case there is no sufficient stock available for a particular variety of rice, the shortfall is sent to production department for production and packing. We normally deliver the orders within 2-3 days of receiving the order.

## COMPETITION

Rice is the basic grain consumed as a food in India which is found in almost every Indian kitchen. It is the most common grain and the most common food in India, however, India is not only a big consumer of rice but also the world's second largest producer of rice after China. The Rs 2.8 trillion rice industry is highly fragmented with the presence of over one lakh rice mills divided into small, medium and large units. Although the industry is witnessing the emergence of large players, following de-reservation of the industry by the government in the late 1990s, organized players account for only 10 percent of the total market.

Competition is high in exports market where players are majorly branded and big players in market. In domestic market, there are many small players. Easy access to raw materials (paddy) and low capital intensity of the industry allows easy entry to SMEs in this industry.

The major player in paddy processing viz. Satnam Overseas, KRBL, LT Foods and REI Agro are mainly in basmati segment, where as our thrust is mainly on non-basmati rice segment.

## MANPOWER

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a break-up of our employees as on March 31, 2017:

Sr. no	Category	No. of employees
1	Admin & Finance	25
2	Plant Supervisors	16
3	Factory worker	48
<b>Total</b>		<b>89</b>

## CAPACITY UTILIZATION

The capacity utilization of our company is highlighted below:

For the Financial Year	Particulars
2016-17	83%
2015-16	86%
2014-15	76%

## EXPORTS AND EXPORT OBLIGATIONS

The Company does not have any export and export obligations as on the date of this Prospectus.

## COLLABORATIONS

The company has not collaborated nor does it plan any collaboration for conduct of existing business or expansion of business as on the date of this Prospectus.

## INSURANCE

We also maintain insurance covering our assets like Building, plant & machinery and vehicles at levels that we believe to be appropriate for our business.

Some of the major insurance availed by our company are as follows:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Details of Assets /Goods covered under the policy	Policy No.	Sum Insured (₹)
1.	United India Insurance Co. Ltd.	Boiler And Pressure Plant Insurance Policy	February 19, 2018	Combipac Boiler, Model: Cpdf140/10.54/10 , Thermax Ltd,Cpdf-140/10.54/10.	2106054416P1 16644037	6,275,000
2.	United India Insurance Co. Ltd.	Burglary Standard Policy	January 1, 2018	Stock in trade of Paddy, Rice, Husk, Bran like unfinished goods.	2106051216P1 13473851	117,000,000
3.	United India Insurance Co. Ltd.	Boiler And Pressure Plant Insurance Policy	January 27, 2018	Husk fired combipac boiler, Reg. No. JH-9071, Thermax Ltd.-12 Ton	2106054416P1 14363319	11,000,000
4.	United India Insurance Co. Ltd.	Standard Fire and Special Perils Policy	January 1, 2018	Rice Mill	2106051116P1 13474280	421,900,000
5.	United India Insurance Co. Ltd.	Burglary Floater Policy	January 9, 2018	Stock of Paddy, Rice, Husk, Bran	2106051216P1 13508073	94,000,000
6.	United India Insurance Co. Ltd.	Standard Fire and Special Perils Policy (Floater Basis)	January 9, 2018	Stock of Paddy, Rice, Husk, Bran	2106051116P1 13509981	94,000,000
7.	United India Insurance Co. Ltd.	Employees Compensation Insurance Policy	February 19, 2018	Liability of the company under Employee's Compensation Act, 1923	210605271P11 6702955	The amount of liability incurred by the Company
8.	TATA AIG General Insurance Company Ltd.	Marine Cargo Open Policy	November 1, 2018	Consignment containing Rice and all by-product of rice excluding oil	0840017098	450,000,000

## PROPERTIES

### Leasehold Properties

Sr. No.	Name of the Licensor/Lessor	Premises Leased and area	Term of Lease	Amount of Rent	Purpose
1	Sudhir Prasad Sahu	Premises of 900 sq.ft., situated at Office No. 504, 5th floor, Mangal Murli Heights, Harmu Road, Rani Bagan, Ranchi - 834001, Jharkhand	2 years W.e.f. April 1, 2017 to March 31, 2019	₹ 15,000 p.m.	Registered and corporate Office

Sr. No.	Name of the Licensor/Lessor	Premises Leased and area	Term of Lease	Amount of Rent	Purpose
2	Rumana shaheen	Warehouse of 6000 sq.ft. , situated at Village Bandheya, P.S. Nagri, Thana No. 122, Ranchi -834005	2 years From March 1, 2016 to February 28, 2018	₹42,000 p.m.	Warehouse for storage of paddy
3	Qamruzama Khan	Warehouse of 10000 sq.ft., situated at Village Bandheya, P.S. Nagri, Thana No. 122, Ranchi -834005	2 years From March 1, 2016 to February 28, 2018	₹70,000 p.m.	Warehouse for storage of paddy
4	Ekta Sahu, Binita Sahu and Rakhi Sahu	Landed property measuring area of 4 Acres 87 decimals Plot No. 2579, situated at Village Nagri, P.S. Nagri, Thana No.122, Ranchi - 834005	30 years From January 16, 2013 to January 15, 2043	₹1,15,690/-p.m.	Factory land
5	Panchkanya LLP	Village Tikra Toli, PS Nagri, Thana No. 125, Dist. Ranchi, 834003, Jharkhand	1 year From January 20, 2017 to January 19, 2018	₹50/- p.m. per MT	Warehouse for storage of paddy

#### INTELLECTUAL PROPERTY

Our Company has obtained No Objection Certificate (NOC) for the use of following Trademark which are not registered in the name of our Company:

Sr. No.	Word Mark/ Trademark	Application No.	Registered in the name of	Class	Current Status	Valid Upto	Consent Letter/Agreement dated
1.	BABA	586992	J.R Rice India Private Limited	30	Registered	18/12/2022	09/05/2015
2.	PANCHAKANYA	2236074	Mr. Manish Kumar Sahu	30	Registered	18/11/2021	02/05/2017
3.	SINGHAM	2642309	Mr. Yogesh Kumar Sahu	30	Registered	13/12/2023	02/05/2017
4.	MIDDU BHAI	3222893	Mr. Gyan Prakash Sahu	30	Registered	30/03/2026	02/05/2017

## KEY INDUSTRY REGULATION AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

*The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 145 of the Prospectus.*

### **RELATED TO OUR BUSINESS**

#### **Food Safety and Standard Act, 2006**

The Food Safety and Standards Act, 2006 (the “FSSA”) was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the ‘Food Authority’) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’.

In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (the “FSSR”) which were notified in the Gazette of India dated May 5, 2011 and have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA lays down penalties for various offences (including recall procedures).

The Food Authority has also framed the following food safety and standards regulations:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

As part of our Company’s operations, we are required to comply with the IT Act and the provisions thereof.

#### **Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013, (the “SHWPPR Act”) aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an ‘internal complaints committee’ at each office or branch, of an organization employing at least 10 employees. The government in turn is required to set up a ‘local complaint committee’ at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **The Apprentices Act, 1961**

The Apprentices Act, 1961, as amended (the “**Apprentices Act**”) regulates and controls the programme of training of apprentices and matters connected therewith. The term 'apprentice' means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. 'Apprenticeship training' means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **The Employees Provident Funds and Miscellaneous Provisions Act, 1952 (“Employees Provident Fund and Miscellaneous Provisions Act”)**

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees’ Provident Fund Schemes, 1952;
- (b) The Employees’ Pension Scheme, 1995; and
- (c) The Employees’ Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.

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

The Employees’ State Insurance Act, 1948, as amended (“**ESI Act**”) applies to all factories that are non seasonal in nature and establishments that are notified by the appropriate government in consultation with the Central Government from time to time. The ESI Act provides for a need based social insurance scheme under which the employer and the employee must contribute certain percentage of the monthly wage as prescribed by the Central Government from time to time to the Employees State Insurance Corporation established under the ESI Act. In case the contribution is not paid by the principal employer as per the provisions of the ESI Act, the principal employer shall be liable to pay simple interest at the rate of 12 % p.a or at such higher rate as may be specified in the ESI Act and the rules thereunder till the date of its actual payment. The ESI Act provides for benefits to employees in case of sickness, maternity and employment injury. However, where an employee is covered under the ESI scheme, (a) compensation under the Workmen’s Compensation Act, 1923 cannot be claimed in respect of employment injury; and (b) benefits under the Maternity Benefits Act, 1961 cannot be claimed. In addition, the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities.

### **The Employees Compensation Act, 1923**

The Employees Compensation Act, 1923 (“**EC Act**”), provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of receiving a notice.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976, as amended (“**ER Act**”) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **The Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961, as amended (“**Maternity Benefit Act**”) regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### **The Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 as amended (the “**Payment of Bonus Act**”) was enacted to provide for the payment of bonus to persons employed in establishments where 20 or more persons are employed on any day during an accounting year. The Payment of Bonus Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer any allocable surplus in the accounting year in which the bonus is payable. Under the Payment of Bonus Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher. Contravention of the provisions of the Payment of Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to Rs. 1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention, as well as the company.

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 as amended (the “**Payment of Gratuity Act**”) provides for payment of gratuity to an employee at the time of termination of services. Payment of Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding 12 months; and as the Central Government may, by notification, specify. Gratuity under the Payment of Gratuity Act, is payable to an employee after he has rendered his services for a period not less than five years: (a) on his / her superannuation; (b) on his / her retirement or resignation; or (c) on his / her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). Under the Payment of Gratuity Act, the maximum gratuity payable may not exceed Rs.1,000,000.

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

The Payment of Wages Act, 1936 as amended (the “**Payment of Wages Act**”) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays down wage periods.

## **TAXATION LAWS**

### **Income-Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

### **Goods and Services Tax Act (GST)**

Goods and Service Tax (GST) is one of the most significant tax reforms introduced in the history of the Indian fiscal evolution. With a singular impact on the economic growth of the country and the way business is done in India, it is expected to achieve the following:

- Convert India into one market by seamless flow of tax credits
- Multiple taxes replaced by singular tax making compliance easier
- Number of tax rates reduced substantially
- Compliance process become uniform due to singular IT portal where business and government agencies interact and bring transparency in operations
- Electronic filing and online credit matching substantially reduces non-compliance and tax frauds

Dual GST structure - The central and state governments will levy GST simultaneously, on a common taxable value, on the supply of goods and services.

IGST - An Indian innovation

However, in the case of imports and inter- State supplies, an Integrated IGST (GST) shall be levied by the central government, proceeds of which will be shared by the central and the recipient state government. IGST is an Indian innovation which would help tax move along with goods/services, across states and therefore reduce refund situations at state borders.

Destination based tax

GST is expected to bring a significant shift from origin-based taxation to a destination-based tax structure. This is likely to impact not only the operating business models but also the revenues of the centre/states. It has the potential to impact cash flow, pricing, working capital, supply chain and IT systems and hence provides an opportunity to transform your business.

Goods and services taxed by both the governments

GST allow equal opportunity to the centre and the state to tax all supplies of goods and services.

### **Profession Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains invocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **INTELLECTUAL PROPERTY LAWS**

### **Trademarks Act, 1999**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the good sand a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to are registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

## **IN GENERAL**

### **The Companies Act, 1956 and the Companies Act, 2013**

The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

### **Foreign Exchange Management Act, 1999**

The Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

### **The Competition Act, 2002**

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

### **The Indian Contract Act, 1872 ("Contract Act")**

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **Consumer Protection Act, 1986 (COPRA)**

The Consumer Protection Act, 1986 (“COPRA”) aims at providing better protection to the interests of customers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### History of our Company

Our Company was incorporated as Sri Krishna Metcom Limited, as a public limited company, under the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2008, bearing registration number 013255 and CIN U15400JH2008PLC013255 issued by the Registrar of Companies, Bihar and Jharkhand. Our Company has received the Certificate of Commencement of Business dated August 25, 2008 issued by the Registrar of Companies, Bihar and Jharkhand.

We are currently engaged in the processing of rice.

Our Company was promoted by Mr. Sudhir Prasad Sahu, Mr. Yogesh Kumar Sahu and Mr. Gyan Prakash Sahu.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapters titled "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page numbers 76 and 137, respectively, of this Prospectus.

The total number of members of our Company as on the date of filing of this Prospectus is 9. For further details, please refer the chapter titled 'Capital Structure' beginning on page number 34 of this Prospectus.

### Changes in our Registered Office:

Our Company's Registered Office is currently situated at 504, Mangal Murti Heights, 5th Floor, Rani Bagan, Harmu Road, Ranchi - 834001, Jharkhand. Details of changes in the address of the Registered Office of our Company are set forth as under:

From	To	Effective Date	Reason
48, Ranglal Jalan Road, 2nd Floor, Upper Bazar, Ranchi – 834001	K-52, 4th Floor, Kalptraru Apartment, Jalan Road (Cart Sarai Road), Upper Bazar, Ranchi – 834001	October 16, 2012	For administrative convenience
K-52, 4th Floor, Kalptraru Apartment, Jalan Road (Cart Sarai Road), Upper Bazar, Ranchi – 834001	504, Mangal Murti Heights, 5th Floor, Rani Bagan, Harmu Road, Ranchi - 834001	August 10, 2015	For administrative convenience

### Main Objects of our Company:

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

1. To carry on the business of millers and to set up mills for milling paddy, maize, wheat, gram, other grains and cereals, rice, dal, besan, maida, atta, sooji and other allied products and to manufacture any by-products and to manufacture food products such as biscuits, flakes, dalia and confectionery from flours of all kinds and description and to set up factories or mills for the manufacture thereof. To carry on the business of producing, extracting, refining, storing, exporting, importing, transporting and dealing in paddy, maize, wheat, gram, other grains and cereals, rice, dal, besan, maida, atta, sooji and other allied products of all kinds and description whatsoever and to construct and run rice mills of any kind or description. To purchase, sell, store or otherwise deal in paddy, maize, rice and other grains, cereals, cotton, kapas, seeds of all kinds and other raw materials necessary for an incidental to or conducive to the above objects or any of them.
2. The Company was incorporated with the objects to carry on the business of manufacturers, importers, exporters, sellers, purchasers of and dealers in pig iron, sponge iron, wrought iron, alloy steel, steel converts, rolled steel makers, miner, smelters, engineers, founders in all or any of their respective branches, ferro silicon, ferro chrome, alloy steels, ferro alloys and others ferrous substances and metals of every description and grades, to set up casting and rolling mill plant for producing ingots, billets and all kind of all sizes of re-rolled sections in flats, angels, rounds, squares, rails, joints, channels, strips, sheets, plates, deformed bars, plain and cold twisted articles, tubes and seamless tubes, shaftings, and structural, metallurgical prospectors, explorers, contractors, agents and to market, buy, sell, import, export, trade, or otherwise, deal in any equipment required for any of the industries which the company can undertake and to deal in such equipments.



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3. To produce generate, accumulate , distribute , transmit and supply electricity and electromotive force, whether by the company itself or in collaboration / association with any other person, for process of light, heat, motive, and other power and for all other purposes for which electric energy can be employed and to manufacture, pulup , use and deal in all related machinery , apparatus , equipment.
4. To carry on the business of generation, accumulation storage, conversion transmission, distribution, purchase, sell and supply of power generated by conventional and non conventional methods if necessary supported by hybrid systems, to help to bridge the gap of demand & supply of energy for industrial & economic growth & achieve balanced supply for industrial research.

#### Amendments to the MoA of our Company since Incorporation:

Since incorporation, the following amendments have been made to the MoA of our Company:

##### A. Amendment in Object Clause

Date of Shareholders' Approval	Amendment
April 30, 2012	Change in object clause

##### B. Amendment in capital Clause

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
₹ 1,00,00,000 consisting of 10,00,000 Equity shares of ₹ 10 each.	₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each.	August 8, 2012	EGM
₹ 3,00,00,000 consisting of 30,00,000 Equity shares of ₹ 10 each.	₹ 6,10,00,000 consisting of 61,00,000 Equity shares of ₹ 10 each.	November 12, 2012	EGM
₹ 6,10,00,000 consisting of 61,00,000 Equity shares of ₹ 10 each.	₹ 8,10,00,000 consisting of 81,00,000 Equity shares of ₹ 10 each.	December 20, 2012	EGM
₹ 8,10,00,000 consisting of 81,00,000 Equity shares of ₹ 10 each.	₹ 10,50,00,000 consisting of 1,05,00,000 Equity shares of ₹ 10 each.	July 25, 2013	EGM
₹ 10,50,00,000 consisting of 1,05,00,000 Equity shares of ₹ 10 each.	₹ 13,50,00,000 consisting of 1,35,00,000 Equity shares of ₹ 10 each.	September 16, 2013	EGM
₹ 13,50,00,000 consisting of 1,35,00,000 Equity shares of ₹ 10 each.	₹ 17,50,00,000 consisting of 1,75,00,000 Equity shares of ₹ 10 each.	September 3, 2014	EGM

#### Key Events and Milestones:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Event
2008	Incorporation
2008	Obtained Certificate of Commencement of Business
2012	Commencement of construction of processing plant at Village Bandheya, Piska Nagri, Ranchi
2013	Commencement of Commercial Production
2015	'PANCHAKANYA' brand launched
2016	Launch of Basmati rice ranges
2017	Consumer pack of 5 kgs and 1kg in non-basmati rice launched

#### Subsidiaries and Holding Company:

Our Company is not a subsidiary of any company. Further, as on the date of this Prospectus our Company does not have any subsidiary company.

#### Other declarations and disclosures

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial



Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

#### **Fund raising through equity or debt:**

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled 'Financial Information' and 'Capital Structure' beginning on page number 120 and 34, respectively, of this Prospectus.

#### **Revaluation of assets:**

Our Company has not revalued its assets since its incorporation.

#### **Changes in the activities of Our Company having a material effect**

Other than as stated in this Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **Injunctions or Restraining Orders:**

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

#### **Mergers and acquisitions in the history of our Company**

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

#### **Defaults or Rescheduling of borrowings with financial institutions/banks:**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

#### **Strikes and lock-outs:**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Prospectus, our employees are not unionized.

#### **Time and cost overruns in setting up projects:**

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **Shareholders' agreement:**

Our Company does not have any subsisting shareholders' agreement as on the date of this Prospectus.

#### **Other Agreements:**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of this Prospectus.

#### **Strategic Partners:**

Our Company does not have any strategic partner(s) as on the date of this Prospectus.

#### **Financial Partners:**

As on the date of this Prospectus, our Company does not have any financial partners.

#### **Restrictive Covenants in Loan Agreements:**

Our Company has obtained Credit facilities from IDBI Bank Limited vide Sanction letter dated January 20, 2017. The Bank has issued us No Objection Certificate in relation to our Issue vide letter dated May 31, 2017.

We have to comply with following covenants during tenor of Facilities:

- Obtaining written permission from IDBI Bank Limited prior to contracting any further debt.
- Obtaining written permission from IDBI Bank Limited for any Initial Public Offering.
- These facilities have been sanctioned on the assumption that IDBI Bank Limited would be the sole working capital banker in the banking arrangement. Subsequently, all throughputs of the borrower would have to be routed through IDBI Bank Limited.

**Details of borrowing and charges of IDBI Bank Limited:**

Sr. No.	Charge Holder	Date of Creation of Charge	Type of Loan	Sanctioned Amount	Rate of Interest	Security
1.	IDBI Bank Limited	January 20, 2017	Term Loan	₹658.00 Lakhs	Marginal Cost of funds based Lending rate (MCLR) +1.05%	Hypothecation of entire fixed asset which includes plant and machinery, electrical installation, furniture & fixture, hypothecation of stock and book debt, equitable mortgage of land and building at village Bandheya, Piska Nagri, Thana No. 122, Ranchi, and at village Tikra Toli, P.S. Ratu, P.S. No. 125, Ranchi. equitable mortgage of landed property at village Dalaldilli, P.S. Nagari, P.S. 133, Ranchi.
			Cash Credit	₹1,000.00 Lakhs	MCLR +0.85%	
			WHR-STL	₹700.00 Lakhs	MCLR +0.50%	
			LC/BG	₹50.00 Lakhs	LC – 1.28% commission p.a. BG – 1.50% commission p.a	

**Number of Shareholders:**

Our Company has 9 (Nine) shareholders on date of this Prospectus.

## OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013.

As on date of this Prospectus, our Board consist of 6 (Six) Directors. Mr. Yogesh Kumar Sahu is the Chairman & Managing Director of our Company.

### The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Prospectus:

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
1	<p><b>Mr. Yogesh Kumar Sahu</b> S/o Mr. Sudhir Prasad Sahu</p> <p><i>Designation:</i> Chairman and Managing Director (Executive)</p> <p><i>Address:</i> 101, Krishna Apartment Ratu Road, Ranchi- 834001</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 45 years</p> <p><i>Occupation:</i> Business</p> <p><i>DIN:</i> 02139226</p>	<p><i>Date of appointment:</i></p> <p>Appointed as Chairman and Managing Director w.e.f. April 1, 2017</p> <p><i>Term:</i> 3 years; Liable to retire by rotation.</p>	<p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Baba Food Processing (India) Private Limited</li> </ul>
2	<p><b>Mr. Gyan Prakash Sahu</b> S/o Mr. Sudhir Prasad Sahu</p> <p><i>Designation:</i> Whole-time Director (Executive)</p> <p><i>Address:</i> 101, Krishna Apartment Ratu Road, Ranchi- 834001</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 40</p> <p><i>Occupation:</i> Business</p> <p><i>DIN:</i> 00194221</p>	<p><i>Date of appointment:</i></p> <p>Appointed as Whole-time Director w.e.f. April 1, 2017.</p> <p><i>Term:</i> 3 years; Liable to retire by rotation.</p>	<p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Private Limited Companies:</i></p> <ol style="list-style-type: none"> <li>1. Baba Food Processing (India) Private Limited.</li> </ol>
3	<p><b>Mr. Rajesh Agrawal</b> S/o Mr. Bhagwati Prasad Agrawal</p> <p><i>Designation:</i> Executive Director &amp; CFO</p> <p><i>Address:</i> HN 1081, 228/22 Shivji Park, Khandsa Road, Opp Anaz Mandi Gurgaon – 122001, Haryana</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 41 years</p>	<p><i>Date of appointment:</i></p> <p>Appointed as Whole-time Director designated as Executive Director &amp; CFO w.e.f. April 1, 2017</p> <p><i>Term:</i> 3 years; Liable to retire by rotation.</p>	<p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nutrelis Project India Private Limited</li> </ul>



Sr. No.	Name, Father's/Husband's Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
	<i>Occupation:</i> Business  <i>DIN:</i> 06448058		
4	<b>Mr. Manish Kumar Mantri</b> S/o Mr. Kalayan Mantri Prasad  <i>Designation:</i> Director <i>(Independent)</i>  <i>Address:</i> Opposite Poddar Dharamsala, SISAI Road, Gumla - 835207  <i>Nationality:</i> Indian  <i>Age:</i> 42 years  <i>Occupation:</i> Professional  <i>DIN:</i> 07794554	<i>Date of appointment:</i>  Appointed as Independent Director w.e.f. March 31, 2017  <i>Term:</i> 5 years, up to March 30, 2022; Not liable to retire by rotation.	<i>Public Limited Companies:</i>  • Nil  <i>Private Limited Companies:</i>  • Nil
5	<b>Mr. Jeevan Prasad</b> S/o Mr. Bhagwan Das  <i>Designation:</i> Director <i>(Independent)</i>  <i>Address:</i> Jeevan House, Sri Nagar Colony, Namkum Ranchi, Jharkhand  <i>Nationality:</i> Indian  <i>Age:</i> 50 years  <i>Occupation:</i> Professional  <i>DIN:</i> 02486814	<i>Date of appointment:</i>  Appointed as Independent Director w.e.f. March 31, 2017  <i>Term:</i> 5 years, up to March 30, 2022; Not liable to retire by rotation.	<i>Public Limited Companies:</i>  • Nil  <i>Private Limited Companies:</i>  • R&R Recruitment Services Private Limited
6	<b>Mrs. Binita Sahu</b> W/o Mr. Yogesh Kumar Sahu  <i>Designation:</i> Director (Woman) <i>(Non-Executive Non-Independent)</i>  <i>Address:</i> 101, Krishna Apartment Ratu Road, Ranchi- 834001  <i>Nationality:</i> Indian  <i>Age:</i> 33 years  <i>Occupation:</i> Business  <i>DIN:</i> 07792268	<i>Date of appointment:</i>  Appointed as a Director w.e.f. March 31, 2017  <i>Term:</i> Liable to retire by rotation.	<i>Public Limited Companies:</i>  • Nil  <i>Private Limited Companies:</i>  • Nil

**Note:**

- 1) None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Prospectus.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 3) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**Brief Profile of the Directors of our Company**

**Mr. Yogesh Kumar Sahu**, aged 45 years, is the Chairman & Managing Director of our Company. Mr. Sahu is the Promoter Director of the Company. He is a graduate. Mr. Sahu is a renowned industrialist in the Ranchi. He has started his career in his family business. His expertise in Management and Financial control helped the family to establish Rice Mill in 2007. Presently, he supervises the marketing and selling function and responsible for overall financial as well as operational management of the Company. He has played a key role in growth and development of the Company.

**Mr. Gyan Prakash Sahu**, aged 40 years, is the Whole-time Director of our Company. Mr. Sahu, is the Promoter Director of the Company. He is a commerce graduate. Mr Sahu is a renowned industrialist in the Ranchi. He has started his career in the family business. Latter, he started Mines Crusher in year 2002 at Barbil, Odissa as his 1st independent venture and has made it a successfully venture. Thereafter, he moved to food processing from year 2007 with establishment of Rice Mill. He is an expert on Non-Basmati Paddy & Rice Manufacturing as well as Supply Chain Management. He has over 10 years of experience in the field of manufacturing as well as trading of Paddy, Rice, Wheat, Atta, Flour, Maize and Poultry Feed. His passion for food processing helped him excel in the rice industry with several expansions and also let him to setup ultra Modern Whole Wheat Processing Plant. He has played a key role in growth and development of the Company. Presently, he is responsible for the production process of the Company.

**Mr. Rajesh Agrawal**, aged 41 years, is the Executive Director and CFO of our Company. He is a Chartered Accountant. He has started his career as a practicing chartered accountant. He is having over 15 years of experience in the field of audit, due diligence, accounting, taxation, finance and management. Presently, he is responsible for the accounting, finance and taxation functions of the Company.

**Mr. Manish Kumar Mantri**, aged 42 years, is an Independent Director of our Company. He is a Chartered Accountant by profession. He has experience of over 10 years in the field of audit, accounting, taxation and finance. He was appointed as an Independent Director of our Company from March 31, 2017.

**Mr. Jeevan Prasad**, aged 50 years, is an Independent Director of our Company. He is an Advocate by profession. He has experience of over 20 years in legal and statutory matters. He was appointed as an Independent Director of our Company from March 31, 2017.

**Mrs. Binita Sahu**, aged 33 years, is a non-executive non-independent woman Director of our Company. She is a graduate. She has experience of over 5 years in the field of management and administration. She was appointed as a Woman Director of our Company from March 31, 2017.

**Family relationship between Directors**

Except as stated below, none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013:

Sr. No.	Name of the Director	Relationship with other Director
1	Mr. Gyan Prakash Sahu	Brother of Mr. Yogesh Kumar Sahu
2	Mr. Yogesh Kumar Sahu	Brother of Mr. Gyan Prakash Sahu and husband of Mrs. Binita Sahu
3	Mrs. Binita Sahu	Wife of Yogesh Kumar Sahu

**Confirmations**

We confirm that, as on the date of this Prospectus:

1. There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.



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

### Terms and Conditions of Employment of the Directors

#### i. Executive Directors

Compensation of Executive Directors are as under:

Name	Mr. Yogesh Kumar Sahu	Mr. Gyan Prakash Sahu	Mr. Rajesh Agrawal
Designation	Chairman & Managing Director	Whole-time Director	Executive Director & CFO
Period	Three Years from April 1, 2017	Three Years from April 1, 2017	Three Years from April 1, 2017
Date of approval of shareholder	June 6, 2017	June 6, 2017	June 6, 2017
Remuneration	Salary of ₹2,50,000 Per Month	Salary of ₹2,50,000 Per Month	Salary of ₹1,50,000 Per Month
Perquisite	Category A: 1. Medical Reimbursement for self and family as per the rules of the Company. 2. Leave Travel Reimbursement of domestic & foreign along with family as per the rules of the Company. Category B: Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.	Category A: 1. Medical Reimbursement for self and family as per the rules of the Company. 2. Leave Travel Reimbursement of domestic & foreign along with family as per the rules of the Company. Category B: Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.	Category A: 1. Medical Reimbursement for self and family as per the rules of the Company. 2. Leave Travel Reimbursement of domestic & foreign along with family as per the rules of the Company. Category B: Contribution to Provident Fund, Superannuation Fund, Annuity Fund or Gratuity as per the rules of the Company.

#### ii. Non-Executive Directors

Non-Executive Non-Independent Directors and Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board. They are entitled to a sitting fee of ₹5,000 and ₹ 2,500 for attending the meeting of the Board and the Committee thereof respectively.

### Shareholding of Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Prospectus:

Sr. No.	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our Company
1.	Mr. Yogesh Kumar Sahu	26,16,204	20.71%
2.	Mr. Gyan Prakash Sahu	28,24,530	22.36%
3.	Mr. Rajesh Agrawal	Nil	Nil
4.	Mr. Manish Kumar Mantri	Nil	Nil
5.	Mr. Jeevan Prasad	Nil	Nil
6.	Mrs. Binita Sahu	10,75,685	8.51%

### Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing this Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

### Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

## **Interest of Directors**

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Whole-Time Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### *Interest in promotion of our Company*

Except Promoters, none of our Directors have any interest in the promotion of our Company.

### *Interest in the property of our Company*

Our Directors have no interest in any property acquired by our Company in the preceding two years from the date of this Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

### *Interest in the business of our Company*

Save and except as stated otherwise in “*Statement of Transactions with Related Parties*” in the chapter titled “*Financial Information*” beginning on page number 120 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

## **Details of Service Contracts**

The Directors of our Company have not entered into any service contracts with our Company which provide for benefits upon termination of employment.

## **Bonus or Profit Sharing Plan for the Directors**

There is no bonus or profit sharing plan for the Directors of our Company.

## **Contingent and Deferred Compensation payable to Directors**

No Director has received or is entitled to any contingent or deferred compensation.

## **Other Indirect Interest**

Except as stated in chapter titled “*Financial Information*” beginning on page 120 of this Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

## Borrowing power of the Board

In terms of the special resolution passed in the Extra-Ordinary General Meeting of our Company held on December 12, 2016, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) shall not exceed ₹ 50.00 Crores (Rupees Fifty Crores Only) over and above the paid- up share capital and free reserves of the Company for the time being.

## Changes in the Board for the last three years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of Director	Date of Appointment	Date of Resignation	Reason for Change
Mr. Sudhir Prasad Sahu	Nov 20, 2014	Dec 1, 2015	Resignation
Mr. Manish Kumar Sahu	Apr 20, 2015	Nov 23, 2016	Resigned
Mr. Sudhir Prasad Sahu	Nov 24, 2016	Mar 31, 2017	Resignation
Mr. Manish Kumar Mantri	Mar 31, 2017	-	Appointment
Mr. Jeevan Prasad	Mar 31, 2017	-	Appointment
Mrs. Binita Sahu	Mar 31, 2017	-	Appointment
Mr. Rajesh Agrawal	Apr 1, 2017	-	Appointment

## Corporate Governance

Pursuant to the provisions of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company is exempted from the compliance with the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the said Regulations.

However, immediately upon the listing of the Equity Shares of our Company with the Stock Exchanges, the provisions of the Companies Act, 2013 with regard to the Corporate Governance as applicable to a listed company will be applicable to our Company.

Our Company is in compliance with the requirements of the applicable provision relating to Corporate Governance particularly those relating to composition of our Board and constitution of committees such as Audit Committee, the Stakeholder's Relationship Committee and the Nomination and Remuneration Committee.

Our Company is in compliance with the requirements of the applicable section/regulations in respect of Corporate Governance, as specified, particularly those relating to composition of our Board and constitution of committees such as Audit Committee, the Stakeholder's Relationship Committee and the Nomination and Remuneration Committee.

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

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the Corporate Governance. In addition, our Company intends to adopt a code of conduct for prevention of Insider Trading.

Our Company has Six (6) Directors consisting of Three (3) Executive Directors, Two (2) Independent Directors and One (1) Non-Executive Non-Independent Director. The constitution of our Board is in compliance with the requirements of the Companies Act, 2013.

## Composition of Board of Directors

Our Company has 6 (Six) Directors comprising 3 (Three) Executive Directors, 1 (One) Non-Executive Non-Independent Director and 2 (Two) Independent Directors. The constitution of our Board is in compliance with the requirements of the Companies Act, 2013.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

#### 1. Audit Committee

The Audit Committee was constituted *vide* Board resolution dated March 31, 2017 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Manish Kumar Mantri	Chairman	Independent Director
Mr. Jeevan Prasad	Member	Independent Director
Mr. Gyan Prakash Sahu	Member	Executive Non-Independent

Our Company Secretary, Ms. Namrata Maheswari acts as the secretary of the Audit Committee.

The composition of the Audit Committee may be changed by addition or removal of its members at any time by the Board. Any member of the Audit Committee ceasing to be a director shall also cease to be a member of the Audit Committee.

The terms of reference of our Audit Committee are given below:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 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.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

- shareholders (in case of nonpayment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
  21. Implementation of Indian Accounting Standards as and when they become(s) applicable to the Company.
  22. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

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:
  - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on March 31, 2017. As on the date of this Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Manish Kumar Mantri	Chairman	Independent Director
Mr. Jeevan Prasad	Member	Independent Director
Mrs. Binita Sahu	Member	Non-Executive Non-Independent

Our Company Secretary, Ms. Namrata Maheswari acts as the secretary of the Nomination and Remuneration Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

1. Ensure that our Company has in place a programme for the effective induction of new directors;
2. Recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);



3. Authorized at its duly convened meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
4. Review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
5. Implement, supervise and administer any share or stock option scheme of our Company; and
6. Attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Nomination and Remuneration Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

### 3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been formed by the Board of Directors at the meeting held on April 1, 2017. As on the date of this Prospectus the Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Jeevan Prasad	Chairman	Independent Director
Mrs. Binita Sahu	Member	Non-Executive Non-Independent
Mr. Rajesh Agrawal	Member	Executive Director

Our Company Secretary, Ms. Namrata Maheswari acts as the secretary of the Stakeholders' Relationship Committee.

This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

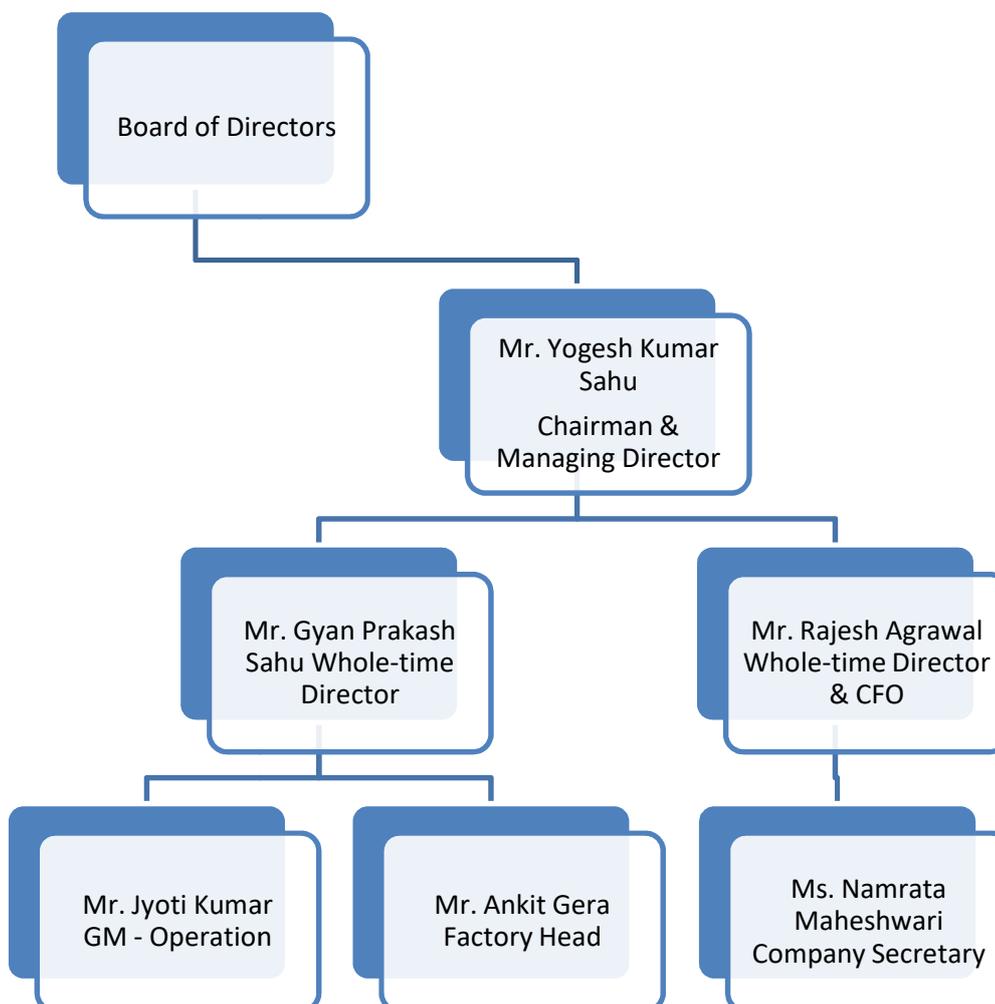
1. Redressal of shareholders'/investors' complaints;
2. Reviewing on a periodic basis the approval of transfer or transmission of shares or any other securities made by the Registrar and Share Transfer Agent;
3. Complaints related to issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Complaints related to non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's Equity Shares on the Stock Exchange.

Ms. Namrata Maheswari, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## Management Organisation Chart



### Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

**Mr. Jyoti Kumar**, aged 39 years, is the General Manager – Operation of our Company. He hold a bachelor degree in Science. He has over 10 years of experience in manufacturing and processing of food products, marketing and management. He has joined the Company w.e.f. March 1, 2017, however, he associated with the group since July 1, 2007. He was paid a remuneration of ₹ 0.51 Lakhs in the Fiscal 2017 by our Company.

**Mr. Ankit Gera**, aged 29 years, is the Factory Manager of our Company. He is a graduate and MBA in Marketing and Finance. He has over 5 years of experience food processing, marketing and distribution. He is associated with the Company since April 1, 2015. He was paid a remuneration of ₹ 3.38 Lakhs in the Fiscal 2017 by our Company.

**Ms. Namrata Maheshwari**, aged 27 years, is the Company Secretary and Compliance officer of our Company. She is a Commerce Graduate from North Bengal University. She is a qualified Company Secretary from the Institute of Company Secretaries of India. She has experience of over 2 year in field of statutory compliances. At present, she is responsible for corporate law compliance of the Company. She is associated with the Company since December 1, 2016. She was paid a remuneration of ₹ 0.89 Lakhs in the Fiscal 2017 by our Company.

### Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.

- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- There is no family relationship between the key managerial personnel and the Promoters or Directors of our Company.

#### **Details of Service Contracts of our Key Managerial Personnel**

Our key managerial personnel have not entered into any other contractual arrangements with our Company.

#### **Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel**

Our Company does not have any bonus and / or profit sharing plan for the key managerial personnel.

#### **Contingent and Deferred Compensation payable to Key Managerial Personnel**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel are holding any Equity Shares in our Company as on the date of this Prospectus.

#### **Interest of Key Managerial Personnel**

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **Changes in our Company's Key Managerial Personnel during the last three years**

Following have been the changes in the Key Managerial Personnel during the last three years:

<b>Sr. No.</b>	<b>Name</b>	<b>Date of Joining</b>	<b>Date of Leaving</b>	<b>Reason</b>
1.	Mr. Ashish Kumar Dhandhanya	December 5, 2013	May 2, 2014	Resignation
2.	Mr. Dharmendra Prasad	August 22, 2013	April 20, 2015	Resignation
3.	Mr. Umakant Saraogi	December 1, 2015	March 16, 2016	Resignation
4.	Ms. Priti Arora	May 20, 2014	April 3, 2015	Resignation
5.	Ms. Namrata Maheswari	December 1, 2016	-	Appointment

#### **Scheme of Employee Stock Options or Employee Stock Purchase**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### **Employees**

As on March 31, 2017, our Company has 89 employees. The Company also hire contract labour from time to time as per the requirement. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled 'Manpower' under the chapter titled 'Our Business' beginning on page number 76 of this Prospectus.

#### **Loans to Key Managerial Personnel**

There are no loans outstanding against the key managerial personnel as on the date of this Prospectus.

#### **Payment of Benefits to officers of our Company (non-salary related)**

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled "Financial Information" and the chapter titled "Our Business" beginning on pages 120 and 76 of this Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Prospectus.

## Retirement Benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

1. Mr. Sudhir Prasad Sahu
2. Mr. Yogesh Kumar Sahu
3. Mr. Gyan Prakash Sahu
4. Sudhir Prasad Sahu (HUF)

**Brief profile of our Promoters is as under:**



**Mr. Sudhir Prasad Sahu**, aged 73 Years, is the promoter of our Company. He is a well known industrialist in Ranchi. He is having an experience of over 40 years in the field of agriculture, farming, food processing and management. He gives strategic guidance to the Management of the Company on agro products, steering it to the right direction.

**Passport No:** J2804926

**Voter ID:** NA

**Address:** 101, Krishna Apartment, Ratu Road, Ranchi- 834001



**Mr. Yogesh Kumar Sahu**, aged 45 years, is the Chairman & Managing Director of our Company. Mr. Sahu is the Promoter Director of the Company. He is a graduate. Mr. Sahu is a renowned industrialist in the Ranchi. He has started his career in his family business. His expertise in Management and Financial control helped the family to establish Rice Mill in 2007. Presently, he supervises the marketing and selling function and responsible for overall financial as well as operational management of the Company. He has played a key role in growth and development of the Company.

**Passport No:** N0285083

**Voter ID:** NA

**Address:** 101, Krishna Apartment, Ratu Road, Ranchi- 834001

For further details relating to Mr. Yogesh Kumar Sahu, including terms of appointment as our Chairman & Managing Director and other directorships, please refer to the chapter titled “*Our Management*” beginning on page number 97 of this Prospectus.



**Mr. Gyan Prakash Sahu**, aged 40 years, is the Whole-time Director of our Company. Mr. Sahu, is the Promoter Director of the Company. He is a commerce graduate. Mr Sahu is a renowned industrialist in the Ranchi. He has started his career in the family business. He moved to food processing from year 2007 with establishment of Rice Mill. He is an expert on Non-Basmati Paddy & Rice Manufacturing as well as Supply Chain Management. He has over 10 years of experience in the field of manufacturing as well as trading of Paddy, Rice, Wheat, Atta, Flour, Maize and Poultry Feed. His passion for food processing helped him excel in the rice industry with several expansions and also let him to setup ultra Modern Whole Wheat Processing Plant. He has played a key role in growth and development of the Company. Presently, he is responsible for the production process of the Company.

**Passport No:** L1967083

**Voter ID:** NA

**Address:** 101, Krishna Apartment, Ratu Road, Ranchi- 834001

For further details relating to Mr. Gyan Prakash Sahu, including terms of his appointment as a Whole-time Director and other directorships, please refer to the chapter titled “*Our Management*” beginning on page number 97 of this Prospectus.

***Sudhir Prasad Sahu (HUF)***

***Karta*** Mr. Sudhir Prasad Sahu

***Members***

Mrs. Krishna Devi Sahu, Mr. Manish Kumar Sahu, Mr. Yogesh Kumar Sahu and Mr. Gyan Prakash Sahu.

***Address*** 101, Krishna Apartment, Ratu Road, Ranchi- 834001

***Date of Incorporation*** June 26, 2006

***No. of Equity Shares held in SKML & [% of Shareholding (Pre Issue)]***

21,45,966 shares [16.99%]

**Declaration**

Our Company hereby confirms that the personal details of our Individual Promoters viz., Permanent Account Number, Passport Number, and Bank Account Number have been submitted to NSE, at the time of filing the Draft Prospectus with them.

In relation to our non individual promoters, Sudhir Prasad Sahu (HUF), our Company confirms that the Permanent Account Number and Bank Account No. have been submitted to NSE at the time of filing of the Draft Prospectus.

**COMMON PURSUITS OF OUR PROMOTERS**

None of the promoter Group entities is having business objects similar to our business except Baba Rice Mill (Prop. Yogesh Prakash Sahu) and Sri Krishna Rice Mill (Prop. Gyan Prakash Sahu). Further, currently we do not have any non-compete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

**INTEREST OF PROMOTERS**

*Interest in promotion of our Company*

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

*Interest in the property of our Company*

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Prospectus.

*Interest as member of our Company*

Our Promoters jointly hold 1,26,32,971 Equity Shares aggregating to 100.00% of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Yogesh Kumar Sahu and Mr. Gyan Prakash Sahu and as given in the chapter titled “*Our Management*” beginning on page number 97 of this Prospectus, our Promoters hold no other interest in our Company.

*Interest as a creditor of our Company*

As on the date of the Prospectus our Company has not availed any secured loan from the Promoters of our Company.

*Interest as Director of our Company*

Except as stated in the “*Statement of Related Party Transactions*” beginning on page number 118 of the Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AoA.

*Interest in transactions involving acquisition of land*

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

**Other Ventures of our Promoters**

Save and except as disclosed in the chapters titled ‘*Our Group Entities*’ beginning on page 114 of the Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

**Payment or benefit to promoters of the issuer**

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XIV on page number 132 of the section titled “*Financial Information*” beginning on page number 120 of the Prospectus, there has been no Payment or benefit to promoters of the issuer.

**Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XIV on page number 132 of the section titled “*Financial Information*” beginning on page number 120 of the Prospectus.

**Our Promoter Group:**

Our Promoters and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

**i. Natural Persons who form part of our Promoter Group:**

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations form part of our Promoter Group:

Promoters	Mr. Sudhir Prasad Sahu	Mr. Yogesh Kumar Sahu	Mr. Gyan Prakash Sahu
<b>Father</b>	Late Rameshwor Sahu	Sudhir Prasad Sahu	Sudhir Prasad Sahu
<b>Mother</b>	Late Rajbansi Devi	Krishna Devi	Krishna Devi
<b>Spouse</b>	Krishna Devi	Binita Sahu	Ekta Sahu
<b>Brothers</b>	Late Bhola Sahu	Manish Kumar Sahu	Manish Kumar Sahu
		Gyan Prakash Sahu	Yogesh Kumar Sahu
<b>Sisters</b>	-	-	-
<b>Sons</b>	Manish Kumar Sahu	Anmol Prakash	
	Yogesh Kumar Sahu	-	-
	Gyan Prakash Sahu	-	-
<b>Daughters</b>		Manya Priya	Shambhavi Priya
			Samridhi Priya
<b>Spouse Father</b>	Late Baleshwor Sahu	Srinivash Choudhary	Arun Kumar
<b>Spouse Mother</b>	Late Dev Kuwar Devi	Gita Choudhary	Renu Devi
<b>Spouse Brothers</b>	Gopal Prasad	Pankaj Kumar Choudhary	Adesh Kumar
	Devendra Prasad	-	Himanshu Kumar
	Dharmendra Prasad	-	
<b>Spouse Sisters</b>	Kamala Devi	Namita Choudhary	Bandana Kumari
	Bimla Devi	-	-

ii. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

Relationship with promoters	Promoters
Any Body corporate in which 10% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member	<ol style="list-style-type: none"> <li>1. Baba Food Processing (India) Private Limited</li> <li>2. Shri Krishna Minerals Ores (I) Private Limited</li> <li>3. Panchakanya Agri LLP</li> </ol>
Any company in which a company (mentioned above) holds 10% of the total holding	Nil
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 10% of the total holding	<p><u>Sole Proprietor Firm</u></p> <ol style="list-style-type: none"> <li>1. Baba Rice Mill (Sole Proprietor - Yogesh Prakash Sahu)</li> <li>2. Sri Krishna Rice Mill (Sole Proprietor - Gyan Prakash Sahu)</li> <li>3. Panchkanya Trading (Sole Proprietor – Sudhir Prasad Sahu)</li> </ol> <p><u>Partnership Firm</u></p> <ol style="list-style-type: none"> <li>1. Sanskriti Agro Products</li> <li>2. Sri Krishna Agrilink</li> <li>3. Panchkanya Agrilink</li> <li>4. Manya Agro Products</li> <li>5. Sri Krishna Agro Products</li> <li>6. Sambhavi Agro Products</li> </ol> <p><u>HUFs</u></p> <ol style="list-style-type: none"> <li>1. Gyan Prakash Sahu (HUF)</li> <li>2. Yogesh Kumar Sahu (HUF)</li> <li>3. Sudhir Prasad Sahu (HUF)</li> </ol>

**Relationship of Promoters with our Directors**

Our Promoters Mr. Yogesh Kumar Sahu and Mr. Gyan Prakash Sahu are also the Executive Directors of our Company and Mr. Sudhir Prasad Sahu is the father of Mr. Yogesh Kumar Sahu and Mr. Gyan Prakash Sahu. Other than aforesaid, our Promoters have no relationship with our Directors.



## **OUR SUBSIDIARIES**

As on the date of this Prospectus, our Company does not have any subsidiary.

## OUR GROUP ENTITIES

The Group Companies / Entities of our Company are as follows:

1. Baba Food Processing (India) Private Limited
2. Shri Krishna Minerals Ores (I) Private Limited
3. Panchakanya Agri LLP

### Details of Group Companies

The details of our Group Companies / Entities are set forth below:

#### 1. Baba Food Processing (India) Private Limited

##### Corporate Information

Baba Food Processing (India) Private Limited was incorporated under the Companies Act, 2013 on April 22, 2015, as a private limited company, having CIN No. U15311JH2015PTC002849. The registered office of Baba Food Processing (India) Private Limited is situated at Office No. 504, Mangal Murti Heights, Rani Bagan, Harmu Road, Ranchi Jharkhand - 834001.

Baba Food Processing (India) Private Limited is engaged in the business of manufacturing of flour from wheat.

##### Interest of our Promoter / Promoter Group

Our promoters and Promoters' group holds 100% equity shares of this company.

##### Board of Directors

The Directors of Baba Food Processing (India) Private Limited as on the date of this Prospectus are as follows:

Name	Designation
Gyan Prakash Sahu	Director
Yogesh Kumar Sahu	Director

##### Shareholding Pattern

The Shareholding Pattern of Baba Food Processing (India) Private Limited as on the date of this Prospectus are as follows:

Shareholder name	No. of shares	% of total holding
Sudhir Prasad Sahu	9,00,000	18.75%
Sudhir Prasad Sahu HUF	2,66,500	5.55%
Yogesh Kumar Sahu	10,89,000	22.69%
Yogesh Kumar Sahu HUF	2,32,000	4.83%
Gyan Prakash Sahu	12,61,500	26.28%
Gyan Prakash Sahu HUF	3,25,500	6.78%
Binita Sahu	1,99,500	4.16%
Ekta Sahu	3,73,500	7.78%
Krishna Devi	1,52,500	3.18%
<b>TOTAL</b>	<b>48,00,000</b>	<b>100.00%</b>

##### Financial Information

(₹ in lakhs)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	-	NA	NA
Profit after Tax	-	NA	NA
Equity Capital	335.75	NA	NA
Reserves & Surplus (excluding revaluation reserve)	-	NA	NA
Net worth	335.75	NA	NA
NAV per share	10.00	NA	NA



Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Earnings per share (EPS) (Basic) in ₹	-	NA	NA
Earnings per share (EPS) (Diluted) in ₹	-	NA	NA
No. of Equity Shares of ₹10/- each	33,57,500	NA	NA

Since Baba Food Processing (India) Private Limited was established on April 22, 2015, financial information for earlier years are not available.

## 2. Shri Krishna Minerals Ores (I) Private Limited

### Corporate Information

Shri Krishna Minerals Ores (I) Private Limited was originally incorporated as Panchakanya Infra Private Limited under the Companies Act, 2013 on December 4, 2015, as a private limited company, having CIN No. U45206JH2015PTC003321. Subsequently, the name of the company was changed to Shri Krishna Minerals Ores (I) Private Limited and a fresh certificate of incorporation pursuant to change of name was issued by the Registrar of Companies, Jharkhand, on May 16, 2016.

The registered office of Shri Krishna Minerals Ores (I) Private Limited is situated at Office No. 504, Mangal Murti Heights, Rani Bagan, Harmu Road, Ranchi Jharkhand - 834001.

The main object of Shri Krishna Minerals Ores (I) Private Limited is to undertake mining of mineral ores and resources.

### Interest of our Promoter / Promoter Group

Our promoter and Promoters' group holds 48.08% equity shares of this company.

### Board of Directors

The Directors of Shri Krishna Minerals Ores (I) Private Limited as on the date of this Prospectus are as follows:

Name	Designation
Mr. Suryadeo Gupta Prasad	Director
Mr. Shekhar Anand	Director
Mr. Sanjay Kumar Singh	Director

### Shareholding Pattern

The Shareholding Pattern of Shri Krishna Minerals Ores (I) Private Limited as on the date of this Prospectus are as follows:

Shareholder name	No. of shares	% of total holding
Promoters and Promoter Group	50,000	48.08%
Others	54,000	51.92%
<b>TOTAL</b>	<b>1,04,000</b>	<b>100.00%</b>

### Financial Information

Since Shri Krishna Minerals Ores (I) Private Limited was established on December 4, 2015, financial information is are not available.

## 3. Panchakanya Agri LLP

### Corporate Information

Panchakanya Agri LLP was incorporated as a Limited Liability Partnership under the Limited Liability Partnership Act, 2008, on January 20, 2016. The LLP identification No. of Panchakanya Agri LLP is AAF-5230. Its registered office is situated at 505, Mangal Murti Heights, Harmu Road, Ranchi, Jharkhand - 834001. The matters relating to the LLP are defined in the LLP Agreement dated January 20, 2016.

The main object of Panchakanya Agri LLP is to carry on in India or elsewhere the business of transport, store, forward, distribute, dispose, develop, handle, manipulate or otherwise to deal in all kinds of food grain and to do all incidental acts and things as may be necessary for the attainment of above object.



### Interest of our Promoter / Promoter Group

Our promoters and Promoters' group holds 100% shares in this LLP.

### Partners and their profit sharing ration

The partners of Panchakanya Agri LLP, their capital contribution and their profit sharing ration as on the date of this Prospectus are as follows:

Name	Designation	Contribution (₹)	Share of profit
Mr. Sudhir Prasad Sahu	Designated Partner	2,50,000	50.00%
Mr. Manish Kumar Sahu	Designated Partner	2,50,000	50.00%
		<b>5,00,000</b>	<b>100.00%</b>

### Financial Information

Since Panchakanya Agri LLP was established on January 20, 2016, financial information is are not available.

### Declarations

None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.

None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.

None of the entities in the Promoter Group Companies has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

### Litigations

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled "Outstanding Litigations and Material Developments" on page 143 of the Prospectus.

### Defunct Group Companies

There are no defunct Group Companies of our Company as on the date of this Prospectus.

### Undertaking / confirmations

Our Promoters and Group Companies confirm that they have not been declared as a wilful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

### Common Pursuits/Conflict of Interest

Our Promoters have promoted some of sole proprietorship firms, which are engaged in the line of business similar to our Company. Details of the same are as follows:

Sr. No.	Name of Group Company	Sole Proprietor
1.	Baba Rice Mill	Mr. Yogesh Kumar Sahu
2.	Sri Krishna Rice Mill	Mr. Gyan Prakash Sahu

### Baba Rice Mill (Prop. Yogesh Kumar Sahu)

Baba Rice Mill is a sole proprietorship firm of Mr. Yogesh Kumar Sahu. The said firm is engaged in the business of processing of non-basmati rice, being the same line of business in which our Company is engaged. Its registered office is situated at 505, Mangal Murti Heights, Harmu Road, Ranchi, Jharkhand - 834001.

### **Sri Krishna Rice Mill (Prop. Gyan Prakash Sahu)**

Sri Krishna Rice Mill is a Sole Proprietorship firm of Mr. Gyan Prakash Sahu. The said firm is engaged in the business of processing of non-basmati rice, being the same line of business in which our Company is engaged. Its registered office is situated at 505, Mangal Murti Heights, Harmu Road, Ranchi, Jharkhand - 834001.

To this extent there may be a potential conflict of interest in these sole proprietorship firms.

Except for this, there are no common pursuits amongst the Group Companies.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

For details relating to sales or purchases between our Company and any of our Group entities exceeding 10% of the sales or purchases of our Company see the chapter titled “*Financial Statements - Related Party Disclosures*” on page 132 of this Prospectus.

### **Disassociation by the Promoter in the last three years**

**Name of the Company:** Nagri Eco Rice Park Private Limited

**CIN:** U37200JH2013PTC001304

**Type of Organization:** Private Limited Company

**Reason for Disassociation:** Nagri Eco Rice Park Private Limited has been struck off with effect from June 8, 2015 as no business was commenced by the Company.

### **Other Details of Group Companies/Entities:**

1. There are no defaults in meeting any statutory/ bank/ institutional dues;
2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

### **Nature and Extent of Interest of Group Companies**

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled “Financial Information of the Company– Annexure XIV - Related Party Transaction ” on page 132 of this Prospectus.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Prospectus with Stock Exchange

Except as disclosed in the Prospectus, our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Draft Prospectus with Stock Exchange.

(c) In transactions for acquisition of land, construction of building and supply of machinery

Except as stated in the Chapter titled “Our Business” beginning on page 76 of this Prospectus, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.



## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XIV of restated standalone financial statement under the section titled, 'Financial Statements' beginning on page 132 the Prospectus.



## **DIVIDEND POLICY**

In terms of the Companies Act and subject to the provisions of the Articles of Association, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend, as recommended by our Board of Directors and approved by the shareholders of our Company at their discretion, will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “Record Date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

Our Company has no formal dividend policy and that we have not declared dividend in any Financial Year in past.



## SECTION V – FINANCIAL INFORMATION

### FINANCIAL STATEMENT, AS RESTATED

#### INDEPENDENT AUDITOR’S REPORT ON EXAMINATION OF RESTATED STANDALONE FINANCIAL INFORMATION

To,  
The Board of Directors  
**Sri Krishna Metcom Limited**  
504, Mangal Murti Heilght,  
Harmu Road, Ranchi- 834001  
Jharkhand, India

Dear Sirs,

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **Sri Krishna Metcom Limited**, (hereinafter referred to as “**the Company**”) as at March 31, 2017, 2016, 2015, 2014 and 2013, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the “**Restated Summary Statements**” or “**Restated Financial Statements**”) annexed to this report and initialled by us for identification purposes. These Restated Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of NSE Limited (“**NSE**”).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - a. Part I of Chapter III to the Companies Act, 2013 (“**the Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
3. We have examined such Restated Financial Statements taking into consideration:
  - a. The terms of reference to our engagements with the Company to carry out the assignment, in connection with this Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE Limited (“**IPO**” or “**SME IPO**”); and
  - b. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - a. The “**Restated Statement of Assets and Liabilities**” of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.
  - b. The “**Restated Statement of Profit and Loss**” of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.

- c. The “**Restated Statement of Cash Flow**” of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to Restated Summary Statements to this Report.
6. Based on our examination, we are of the opinion that the Restated Financial Statements have been prepared:
- Using consistent accounting policies for all the reporting periods.
  - Adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustments in this Restated Financial Statements of the Company.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:**

- Summary Statement of Assets and Liabilities, as Restated as appearing in ANNEXURE I;
  - Summary Statement of Profit and Loss, as Restated as appearing in ANNEXURE II;
  - Summary Statement of Cash Flow as Restated as appearing in ANNEXURE III;
  - Significant Accounting Policies as Restated as appearing in ANNEXURE IV;
  - Notes on Reconciliation of restated profits as per ANNEXURE V to this report;
  - Details of Share Capital as Restated as appearing in ANNEXURE VI to this report;
  - Details of Reserves and Surplus as Restated as appearing in ANNEXURE VII to this report;
  - Details of Long Term Borrowings as Restated as appearing in ANNEXURE VIII to this report;
  - Details of Short Term Borrowings as Restated as appearing in ANNEXURE IX to this report;
  - Details of Other Current Liabilities as Restated as appearing in ANNEXURE X to this report;
  - Details of Inventories as Restated as appearing in ANNEXURE XI to this report;
  - Details of Trade Receivables as Restated as appearing in ANNEXURE XII to this report;
  - Details of Revenue from Operations as Restated as appearing in ANNEXURE XIII to this report;
  - Details of Related Party Transactions as Restated as appearing in ANNEXURE XIV to this report;
  - Summary of Significant Accounting Ratios as Restated as appearing in ANNEXURE XV to this report;
  - Capitalisation Statement as at 31<sup>st</sup> March, 2017 as Restated as appearing in ANNEXURE XVI to this report;
  - Statement of Tax Shelters as Restated as appearing in ANNEXURE XVII to this report;
8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. In our opinion, the above financial information contained in Annexure I to XVII of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.



**For N K Kejriwal & Co.  
Chartered Accountants  
Firm Registration No. 004326C**

**Sd/-  
(CA Sumeet Kumar)  
Partner  
Membership No. 410224**

**Ranchi, August 21, 2017**



**ANNEXURE – I : STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
(a) Share Capital	1,263.30	1,263.30	1,263.30	968.92	491.52
(b) Reserves and Surplus	120.28	17.45	(68.52)	(156.49)	4.00
<b>2. Share Application money pending allotment</b>	-	-	-	294.38	183.00
<b>3. Non-Current Liabilities</b>					
(a) Long Term Borrowings	362.24	590.20	658.66	878.52	354.55
(b) Long Term Liabilities	-	-	164.98	164.98	152.71
<b>4. Current Liabilities</b>					
(a) Trade Payables	87.26	88.45	233.65	693.35	56.99
(b) Other Current Liabilities	123.51	80.31	71.91	49.71	1.85
(c) Short-Term Loans	1,462.74	1,215.66	933.34	912.76	-
<b>Total Equity &amp; Liabilities</b>	<b>3,419.33</b>	<b>3,255.37</b>	<b>3,257.32</b>	<b>3,806.13</b>	<b>1,244.62</b>
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible assets	1,597.74	1,676.52	1,899.96	2,160.41	834.94
(ii) Intangible assets	-	-	-	-	-
(iii) Capital work-in-progress	-	-	-	-	-
(b) Non Current Investment	48.17	42.16	82.61	79.24	100.55
(c) Deferred Tax Assets (Net)	22.82	26.32	0.74	0.99	-
(d) Long Term Loans & Advances	57.25	115.62	55.63	55.85	55.97
(e) Other Non Current Assets	11.15	22.30	33.45	44.61	35.16
<b>2. Current Assets</b>					
(a) Inventories	1,394.69	1,264.99	800.04	1,258.41	-
(b) Trade receivables	146.36	45.53	244.60	122.55	-
(c) Cash and cash equivalents	38.85	7.78	38.41	19.27	4.43
(d) Other Current Assets	102.30	54.13	103.36	66.77	213.56
<b>Total Assets</b>	<b>3,419.33</b>	<b>3,255.35</b>	<b>3,257.32</b>	<b>3,806.12</b>	<b>1,244.61</b>

**ANNEXURE – II : STATEMENT OF PROFIT & LOSS, AS RESTATED**

(₹ in Lakhs)

SN	Particulars	For the period ended March 31,				
		2017	2016	2015	2014	2013
<b>I</b>	Revenue from Operations	8,195.85	8,085.86	7,895.83	2,411.15	0.16
	Other Income	14.80	18.00	6.85	10.35	5.53
	<b>Total Revenue (I)</b>	<b>8,210.65</b>	<b>8,103.86</b>	<b>7,902.68</b>	<b>2,421.50</b>	<b>5.69</b>
<b>II</b>	Expenses:					
	Cost of Materials Consumed	5,652.25	5,493.70	5,505.77	2,755.42	-
	Purchase of Stock-in-Trade	545.97	823.45	70.48	-	0.14
	Cost Packing Material Consumed	244.24	235.57	220.62	45.32	-
	Changes in inventories	(111.33)	(118.87)	613.01	(771.47)	-
	Employee Benefit Expense	387.30	361.46	246.20	67.64	-
	Finance Cost	177.51	149.26	194.80	143.87	-
	Depreciation and Amortization Expense	298.86	337.14	373.36	162.02	-
	Other Expenses	843.12	750.15	590.71	178.21	0.46
	<b>Total Expenses (II)</b>	<b>8,037.92</b>	<b>8,031.86</b>	<b>7,814.95</b>	<b>2,581.01</b>	<b>0.60</b>
<b>III</b>	<b>Profit before exceptional and extraordinary items and tax</b>	<b>172.73</b>	<b>72.00</b>	<b>87.73</b>	<b>(159.51)</b>	<b>5.09</b>
<b>IV</b>	<b>Profit before tax</b>	<b>172.73</b>	<b>72.00</b>	<b>87.73</b>	<b>(159.51)</b>	<b>5.09</b>
<b>V</b>	Tax expense:					
	- Current Tax	66.40	13.10	-	-	0.77
	- Deferred Tax	3.50	(27.06)	(0.25)	0.99	-
	- Previous Year Tax	-	-	-	-	-
<b>VI</b>	<b>Profit from the Continuing Operations</b>	<b>102.83</b>	<b>85.96</b>	<b>87.98</b>	<b>(160.50)</b>	<b>4.32</b>
<b>VII</b>	<b>Profit for the Year</b>	<b>102.83</b>	<b>85.96</b>	<b>87.98</b>	<b>(160.50)</b>	<b>4.32</b>



**ANNEXURE – III : STATEMENT OF CASH FLOW AS RESTATED**

(₹ in Lakhs)

SN	Particulars	For the period ended March 31,				
		2017	2016	2015	2014	2013
<b>A.</b>	<b>Cash flow from operating activities</b>					
	Net Profit / (Loss) before extraordinary items and tax	172.73	72.01	87.72	(159.50)	5.08
	Adjustments for:					
	Depreciation and amortisation	298.86	337.14	373.36	162.02	-
	Interest Paid	177.51	149.26	194.80	143.87	-
	Previous Year Tax	-	-	-	-	-
	Operating profit / (loss) before working capital changes	649.10	558.41	655.88	146.39	5.08
	<u>Changes in working capital:</u>					
	Adjustments for (increase) / decrease in operating assets:					
	Inventories	(129.70)	(464.96)	458.38	(1,258.41)	-
	Trade receivables	(100.84)	199.07	(122.05)	(122.55)	-
	Other Current Assets	(48.17)	49.22	(36.58)	146.79	(213.56)
	Adjustments for increase / (decrease) in operating liabilities:					
	Trade payables	(1.19)	(145.20)	(459.70)	636.36	56.99
	Other current liabilities	43.20	8.40	22.19	47.86	(34.66)
	Short-term loans	247.08	282.32	20.58	912.76	-
	Cash flow from extraordinary items					
	Cash generated from operations	659.48	487.26	538.70	509.20	(186.15)
	Net income tax (paid) / refunds	(66.40)	(13.10)	-	-	(0.77)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>593.08</b>	<b>474.16</b>	<b>538.70</b>	<b>509.20</b>	<b>(186.92)</b>
<b>B.</b>	<b>Cash flow from investing activities</b>					
	Capital expenditure on fixed assets, including capital advances	(208.94)	(102.54)	(101.76)	(1,476.35)	(754.16)
	Non Current Investment	(6.01)	40.45	(3.37)	21.31	(92.18)
	Long Term Loans & Advances	58.38	(59.99)	0.22	0.12	(55.97)
	Other Non Current Assets	-	-	-	(20.60)	(33.42)
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(156.57)</b>	<b>(122.08)</b>	<b>(104.91)</b>	<b>(1,475.52)</b>	<b>(935.73)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>					
	Proceeds from issue of equity shares	-	-	294.38	477.40	396.88
	Proceeds from share application money	-	-	(294.38)	111.38	183.00
	Proceeds from long-term borrowings	(227.96)	(68.46)	(219.86)	523.97	316.25
	Interest Paid	(177.51)	(149.26)	(194.80)	(143.87)	-
	Long Term Liabilities	-	(164.98)	-	12.27	152.71
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(405.47)</b>	<b>(382.70)</b>	<b>(414.66)</b>	<b>981.15</b>	<b>1,048.84</b>
<b>D.</b>	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>31.04</b>	<b>(30.62)</b>	<b>19.13</b>	<b>14.83</b>	<b>(73.81)</b>
	Cash and cash equivalents at the beginning of the year	7.78	38.41	19.27	4.43	78.24
<b>E.</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>38.82</b>	<b>7.79</b>	<b>38.40</b>	<b>19.26</b>	<b>4.43</b>

## ANNEXURE – IV : SIGNIFICANT ACCOUNTING POLICIES AS RESTATED

### 1. Background

SRI KRISHNA METCOM LIMITED (“The Company”) was incorporated on 31<sup>st</sup> July 2008. The Company is primarily engaged in the business of Manufacturing & Sale of Rice.

#### 1A: Significant accounting policies

##### a) Basis of preparation

The restated summary statement of assets and liabilities of the Company as at March 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and restated summary statement of cash flows for the financial year ended on March 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as ‘restated summary statements’) have been compiled by the management from the audited financial statements of the Company for the financial year ended on March 2017, 2016, 2015, 2014 and 2013, approved by the Board of Directors of the Company. The restated summary statements have been prepared to comply in all material respects with the provisions of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014; The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“ICDR Regulations”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“SEBI”) and Guidance note on reports in Companies Prospectus (Revised). The restated summary statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company’s management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated summary statements.

##### b) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable.

##### c) Fixed assets

Fixed assets are recorded at cost of acquisition less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and other incidental expenses related to acquisition and installation incurred up to the date of commissioning of the assets but excluding CENVAT and VAT insofar as this is available for set-off against excise duty and sales tax respectively. Advances paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as capital work in progress.

##### d) Depreciation

Depreciation is provided on written down value method, at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions\deletion during the year is provided on pro-rate basis from the data of addition\put to use. Accordingly the rates used as per life defined other than capital spare parts is provided on written down value (WDV) method over the estimated useful lives of the fixed assets as estimated by the management, which result in depreciation rates being equal to the corresponding rates prescribed in Schedule II of the Companies Act, 2013. Leasehold improvements are being depreciated under the straight line method over the primary period of lease or the useful life as estimated by management, which ever is lower.

All assets costing up to Rs 5,000 are fully depreciated in the year of purchase.

##### e) Impairment

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Profit and Loss Account. An impairment loss is reversed if

there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**f) Operating leases**

Lease payments under an operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

Depreciation is provided on written down value method, at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions\deletion during the year is provided on pro-rate basis from the data of addition\put to use. Accordingly the rates used as per life define in act.

**g) Inventories**

Inventories are valued at lower of average cost and net realizable value.

Cost of raw materials and stores and spares is determined using average cost basis and includes all costs incurred in bringing the goods to their present location and condition.

Finished goods and work-in-progress include an appropriate portion of allocable overheads and the cost of materials consumed.

**h) Revenue recognition**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership in the buyer. The amount recognized as sale is exclusive of sales tax and net of trade and quantity discounts. Revenue from sale of goods has been presented both gross and net of excise duty.

**i) Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognised in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled as at the balance sheet date are translated using the closing exchange rates on that date and the resultant net exchange difference is recognised in the Profit and Loss Account.

**j) Retirement and other employee benefits**

*Short term benefits*

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus etc. are recognised in the Profit and Loss Account in the period in which the employee renders the related service.

*Provident fund (defined contribution plan)*

The Company's contributions towards provident fund, which are being deposited with the Regional Provident Fund Commissioner, are charged to the Profit and Loss Account.

*Gratuity (defined benefit plan)*

Company's liability towards gratuity is calculated on the balance sheet date and has been provided for in line with AS 50. As on balance sheet date no employee is eligible to get gratuity as completed year of service for 5 years has not been completed.

**k) Valuation of Investments:**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

**l) Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**m) Taxation & Deferred Tax**



Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

**n) Contingent Liabilities / Provisions**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

**ANNEXURE –V : NOTES ON RECONCILIATION OF RESTATED PROFITS**

(₹ in Lakhs)

Particulars	For Period ended Mar 31, 2017	For Period ended Mar 31, 2016	For Period ended Mar 31, 2015	For Period ended Mar 31, 2014	For Period ended Mar 31, 2013
Net Profit & Loss after Tax as per audited Statement of Profit & Loss	117.28	76.19	86.46	(171.67)	4.32
<b>Adjustments for:</b>					
Depreciation	(2.49)	(3.86)	(2.89)	21.23	-
Provision for Tax	0.04	(0.04)	-	-	-
Deffered Tax	(11.99)	13.68	4.41	(10.05)	-
<b>Net Profit &amp; Loss after tax as restated</b>	<b>102.84</b>	<b>85.97</b>	<b>87.98</b>	<b>(160.49)</b>	<b>4.32</b>

1. Depreciation: Company has changed the useful life and rate of depreciation from FY 2014/15 as per Schedule II to the Companies Act, 2013 but has not recalculated the depreciation since beginning and hence here depreciation has been recalculated from beginning at the rates specified in Schedule II to the Company Act 2013 provided depreciation on written down value method.
2. Provision for Tax: Short provision of tax in FY 2015/16 in audited profit & loss account by Rs, 3871 has been restated herein and has been charged in respective year.
3. Deferred Tax: Due to restatement in values of depreciation charged during the year, deferred tax liability / assets has been changed.

**ANNEXURE –VI : DETAILS OF SHARE CAPITAL AS RESTATED**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
<b>Authorised Capital</b>	1,750.00	1,750.00	1,750.00	1,350.00	810.00
<b>Total</b>	1,750.00	1,750.00	1,750.00	1,350.00	810.00
<b>Issued, Subscribed &amp; Paid Up</b>	1,263.30	1,263.30	1,263.30	968.92	491.52
<b>Total</b>	<b>1,263.30</b>	<b>1,263.30</b>	<b>1,263.30</b>	<b>968.92</b>	<b>491.52</b>

**Reconciliation of Number of Shares outstanding at the end of year:**

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
Equity Shares at the beginning of the year	126,32,971	126,32,971	96,89,171	49,15,171	9,46,400
Add: Shares issued during the year	-	-	29,43,800	47,74,000	39,68,771
<b>Equity Shares at the end of the year</b>	<b>126,32,971</b>	<b>126,32,971</b>	<b>126,32,971</b>	<b>96,89,171</b>	<b>49,15,171</b>



**ANNEXURE –VII : DETAILS OF RESERVES AND SURPLUS AS RESTATED**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
Surplus/(Deficit) in Statement of Profit & Loss					
Opening Balance	17.45	(68.52)	(156.49)	4.00	(0.32)
Add: Profit for the period	102.83	85.97	87.97	(160.49)	4.32
<b>Total</b>	<b>120.28</b>	<b>17.45</b>	<b>(68.52)</b>	<b>(156.49)</b>	<b>4.00</b>

**ANNEXURE –VIII : DETAILS OF LONG TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
<b>Secured Loans:</b>					
- Term Loan					
- From Banks	362.24	590.20	658.66	878.52	354.55
<b>Total</b>	<b>362.24</b>	<b>590.20</b>	<b>658.66</b>	<b>878.52</b>	<b>354.55</b>

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
FLC	-	-	164.98	164.98	152.71
<b>Total</b>	<b>-</b>	<b>-</b>	<b>164.98</b>	<b>164.98</b>	<b>152.71</b>

Nature of Security	Terms of Repayment
Term Loan from IDBI Bank Ltd of Rs. 448.76 Lakhs is secured by hypothecation of all fixed assets present and future	Loan is repayable in balance 10 quarterly instalments
Term Loan from IDBI Bank Ltd of Rs. 202.73 Lakhs is secured by hypothecation of all fixed assets present and future	Loan is repayable in balance 30 monthly instalments

**ANNEXURE –IX : DETAILS OF SHORT TERM BORROWINGS AS RESTATED**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
<b>Secured:</b>					
- CC from Banks	580.13	645.29	713.48	688.58	-
- WHR from Banks	654.65	391.32	-	-	-
- Current Portion of Long Term Loan	227.96	179.04	219.86	224.18	-
<b>Total</b>	<b>1,462.74</b>	<b>1,215.65</b>	<b>933.34</b>	<b>912.76</b>	<b>-</b>

**Nature of Security and Term of repayment for Short Term Borrowings:**

Nature of Security
Cash Credit from IDBI Bank Ltd. Is secured by hypothecation of stock and book debts and all current assets both present and future
WHR Loan from IDBI Bank Ltd. is secured by pledge of paddy stock kept in custody of collateral manager and endorsement of WHR receipt in favour of bank.



**ANNEXURE –X : DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
Employees Benefit Payables	-	5.82	10.36	9.50	-
Statutory Dues Payable	53.16	16.18	16.81	7.20	1.68
Expenses Payable	70.35	58.31	44.74	33.02	0.18
<b>Total</b>	<b>123.51</b>	<b>80.31</b>	<b>71.91</b>	<b>49.72</b>	<b>1.86</b>

**ANNEXURE –XI : DETAILS OF INVENTORIES AS RESTATED**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
(At lower of cost and net realisable value)					
Raw Material	798.63	814.88	577.62	456.60	-
Finished Goods	388.66	277.33	158.46	771.47	-
Stores & Spares	144.75	95.65	44.87	-	-
Packing Material	62.65	77.13	19.08	30.33	-
<b>Total</b>	<b>1,394.69</b>	<b>1,264.99</b>	<b>800.03</b>	<b>1,258.40</b>	<b>-</b>

**ANNEXURE –XII : DETAILS OF TRADE RECEIVABLES AS RESTATED**

(₹ in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2013
<b>Unsecured, Considered Good :</b>					
- Outstanding for more than six months					
From Directors / Promoters / Group Companies					
From Others					
- Others					
From Directors / Promoters / Group Companies					
From Others	146.36	45.53	244.60	122.55	-
<b>Total</b>	<b>146.36</b>	<b>45.53</b>	<b>244.60</b>	<b>122.55</b>	<b>-</b>

**ANNEXURE –XIII : DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(₹ in Lakhs)

Particulars	For Period ended Mar 31, 2017	For Period ended Mar 31, 2016	For Period ended Mar 31, 2015	For Period ended Mar 31, 2014	For Period ended Mar 31, 2013
Sale of Manufactured / Traded Goods	7,494.40	7,455.73	7,348.80	2,411.15	0.16
Sales of Services	701.44	630.13	547.03	-	-
<b>Total</b>	<b>8,195.84</b>	<b>8,085.86</b>	<b>7,895.83</b>	<b>2,411.15</b>	<b>0.16</b>

**ANNEXURE –XIV : DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED**
**A. List of Related Parties and Nature of Relationship:**

Particulars	Names
<b>Group Entities</b>	<u>Companies:</u> 1. Baba Food Processing (India) Private Limited 2. Shri Krishna Minerals Ores (I) Private Limited 3. Panchakanya Agri LLP  <u>Sole Proprietor Firm</u> 1. Baba Rice Mill (Sole Proprietor - Yogesh Prakash Sahu) 2. Sri Krishna Rice Mill (Sole Proprietor - Gyan Prakash Sahu) 3. Aastha Trading (Sole Proprietor - Manish Kumar Sahu) 4. Panchkanya Trading (Sole Proprietor – Sudhir Prasad Sahu)  <u>Partnership Firm</u> 1. Sanskriti Agro Products 2. Sri Krishna Agrilink 3. Panchkanya Agrilink 4. Manya Agro Products 5. Sri Krishna Agro Products 6. Sambhavi Agro Products  <u>HUFs</u> 1. Gyan Prakash Sahu (HUF) 2. Yogesh Kumar Sahu (HUF) 3. Sudhir Prasad Sahu (HUF)
<b>Key Management Personnel</b>	Mr. Sudhir Prasad Sahu Mr. Manish Kumar sahu Mr. Yogesh Kumar sahu Mr. Gyan Prakash Sahu
<b>Relatives of Key Management Personnel's</b>	Mrs. Binita Sahu (Wife of Yogesh Kumar Sahu) Mrs. Ekta Sahu (Wife of Gyan Prakash Sahu) Mrs. Rakhi Sahu (Wife of Manish Kumar Sahu)

**B. Transactions carried out with related parties referred to in (A) above, in ordinary course of business:**

(₹ in Lakhs)

Company	For Period ended Mar 31, 2017	For Period ended Mar 31, 2016	For Period ended Mar 31, 2015	For Period ended Mar 31, 2014	For Period ended Mar 31, 2013
<b>Purchase</b>					
Baba Rice Mill	88.51	181.95	6.22	-	-
Sri Krishna Rice Mill	66.47	129.66	64.27	-	-
Aastha trading	62.24	1.95	-	-	-
Panchkanya Trading	307.48	-	-	-	-
<b>Sale</b>					
Baba Rice Mill	357.97	62.46	13.86	-	-
Sri Krishna Rice Mill	50.19	119.61	6.06	-	-
Aastha Trading	1.07	-	-	-	-
<b>Remuneration</b>					
Manish Kumar sahu	5.95	7.75	3.00	1.50	-
Gyan Prakash Sahu	2.29	3.00	2.40	1.20	-
Yogesh Kumar sahu	6.20	3.00	2.40	1.20	-
Sudhir Prasad Sahu	0.20	-	0.87	-	-
<b>Land Rent</b>					
Binita Sahu	5.70	2.88	2.88	1.15	-
Rakhi Sahu	2.85	1.44	1.44	0.57	-
Ekta Sahu	5.33	2.69	2.69	1.07	-

Company	For Period ended Mar 31, 2017	For Period ended Mar 31, 2016	For Period ended Mar 31, 2015	For Period ended Mar 31, 2014	For Period ended Mar 31, 2013
<b>Office Rent</b>					
Sudhir Prasad Sahu	1.02	0.64	-	-	-
Sri Krishna Rice Mill	-	0.15	0.60	0.60	-
<b>Godown Rent, Handling and Forwarding</b>					
Panchakanya Agri LLP (SPS and MKS)	7.64	-	-	-	-
<b>Job Charges</b>					
Panchakanya Trading	440.13	-	-	-	-

**ANNEXURE –XV : SUMMARY OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED**

(₹ in Lakhs)

Particulars	For Period ended Mar 31, 2017	For Period ended Mar 31, 2016	For Period ended Mar 31, 2015	For Period ended Mar 31, 2014	For Period ended Mar 31, 2013
Restated PAT as per P & L Account	102.83	85.97	87.97	(160.49)	4.32
Weighted Average Number of Shares at the end of Year	126.33	126.33	122.30	111.01	56.49
No of Equity Shares Outstanding at end of year	126.33	126.33	126.33	96.89	49.15
Net Worth	1,383.58	1,280.75	1,194.78	812.42	495.51
<b>Earning Per Share</b>					
Basic & Diluted	0.81	0.68	0.72	(1.45)	0.08
<b>Return on Net worth (%)</b>	<b>7.43%</b>	<b>6.71%</b>	<b>7.36%</b>	<b>(19.75%)</b>	<b>0.87%</b>
<b>Net Assets Value per Share (Rs.)</b>	<b>10.95</b>	<b>10.14</b>	<b>9.46</b>	<b>8.38</b>	<b>10.08</b>

**ANNEXURE –XVI : CAPITALISATION STATEMENT AS AT 31ST MARCH, 2017 AS RESTATED**

(₹ in Lakhs)

Particulars	Pre-issue (As at March 31, 2017)	Post -issue
<b>Borrowings:</b>		
Long Term	362.24	362.24
Short Term	1,462.74	1,462.74
<b>Total Debt</b>	<b>1,824.98</b>	<b>1,824.98</b>
<b>Shareholders' Fund</b>		
Equity Share Capital	1,263.30	1,323.30
Reserve and Surplus - as restated	120.28	390.28
<b>Total Shareholders' Fund</b>	<b>1,383.58</b>	<b>1,713.58</b>
<b>Long Term Debt / Shareholders' Fund</b>	<b>0.26</b>	<b>0.21</b>
<b>Total Term Debt / Shareholders' Fund</b>	<b>1.32</b>	<b>1.07</b>

**ANNEXURE –XVII : STATEMENT OF TAX SHELTERS AS RESTATED**

(₹ in Lakhs)

Particulars	For Period ended Mar 31, 2017	For Period ended Mar 31, 2016	For Period ended Mar 31, 2015	For Period ended Mar 31, 2014	For Period ended Mar 31, 2013
Profit before Tax as Restated (A)	172.73	72.01	87.72	(159.50)	5.08
Tax Rate (%)	33.06%	30.09%	30.09%	30.90%	30.90%
Tax at notional Rate on Profits	57	22	26	(49)	2
Adjustments:					
<b>Permanent Difference:</b>					
Donation	1	1	1	-	-
Gratuity	3.77	-	-	-	-
<b>Total Permanent Difference (B)</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Timing Difference:</b>					
Difference in Depreciation as per Book & Tax	24.32	47.16	0.75	(3.20)	-
<b>Total Timing Difference (C )</b>	<b>24</b>	<b>47</b>	<b>1</b>	<b>(3)</b>	<b>-</b>
<b>Net Adjustments D= (B+C)</b>	<b>29</b>	<b>48</b>	<b>2</b>	<b>(3)</b>	<b>-</b>
<b>Tax Expenses / (Saving) thereon</b>	<b>10</b>	<b>14</b>	<b>1</b>	<b>(1)</b>	<b>-</b>
<b>Taxable Income / (Loss) (A+D)</b>	<b>202</b>	<b>120</b>	<b>90</b>	<b>(163)</b>	<b>5</b>
<b>Taxable Income / (Loss) as per MAT</b>	<b>173</b>	<b>72</b>	<b>88</b>	<b>(160)</b>	<b>5</b>
<b>Income Tax as Returned / Computed</b>	66.40	14.46	15.11	-	0.97
<b>Tax Paid as per normal or MAT</b>	<b>NORMAL</b>	<b>MAT</b>	<b>MAT</b>	<b>-</b>	<b>MAT</b>

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2017 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

Sr. No.	Name of Lender	Type of Loan	Date of Sanction	Sanction Amount	Rate of Interest	Outstanding amounts as per books of accounts
1.	IDBI Bank Limited	Term Loan	January 20, 2017	₹658.00 Lacs	Marginal Cost of funds based Lending rate (MCLR) +1.05%	₹590.20 Lacs
		Cash Credit		₹1,000.00 Lacs	MCLR +0.85%	₹580.13 Lacs
		WHR-STL		₹700.00 Lacs	MCLR +0.50%	₹654.65 Lacs
		LC/BG		₹50.00 Lacs	LC – 1.28% commission p.a. BG – 1.50% commission p.a	₹40 Lacs

### Principal terms of our borrowings availed by our Company:

Some of the principal terms of the borrowings availed by our Company are set forth below:

1. **Tenor:** The tenor of the loan facilities availed by us typically ranges from 12 months to 33 months whether commencing from the date of first disbursement or any other date specified by the lender.
2. **Security:** In terms of our borrowings where security needs to be created, we are typically required to among others:
  - a. Create equitable mortgage over some of our immovable properties;
  - b. Personal guarantees by our Promoters in favour of lenders;
  - c. Hypothecation of the entire stock of raw material, finished goods, stocks in transit, stores & spares, finished goods at depots and all other current assets and receivables both present and future; and
  - d. This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
3. **Re-payment:** The working capital facilities are typically repayable either on the last business day of the term for which such advance was drawn down, or on demand by the lender. The repayment period for term loans is stipulated in monthly or quarterly instalments or by way of a one-time payment.
4. **Prepayment:** The loans availed by our Company typically have prepayment provisions which allows for prepayment of the outstanding loan amount at any given point in time, subject to such prepayment charges as may be decided by the lender at the time of such prepayment. The prepayment charges shall be levied as decided by the bank at the time of prepayment.
5. **Penalty:** The loans availed by our Company typically contain provisions prescribing penalties for delayed payment or default in the repayment obligations of our Company or delay in creation of the stipulated security or certain specified obligations.
6. **Restrictive covenants:** Our financing arrangements entail various conditions and covenants restricting certain corporate actions and we required to take the prior approval of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. Written consents/approvals are required for the actions, including but not limited to, the following:
  - Change in the ownership or control of our Company whereby the effective beneficial ownership or control of the Company shall change;
  - To enter into any scheme of merger, amalgamation, compromise, reconstruction, reconstitution, dissolution etc.;
  - Any material changes in the management of the Company;

7. **Events of Default:** Our financing arrangements specify the occurrence of certain events as events of default, some of which are listed below. The events of defaults, including but not limited to, are as follows:

- non-payment or default of any amounts due on the facility or loan obligation;
- non-submission or delayed submission of stock and book debts statement;
- non-submission or delayed submission of other financial information or equipment reports;
- non-submission or delayed submission of financial statements;
- non-compliance with the terms of the sanction letters;
- Creation or permitting the creation of any further charge on the secured assets (including shares of our Company provided as security) or providing any guarantees to other lenders without prior consent of the lender;



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 prepared in accordance with the Companies Act, 1956 and Companies Act, 2013 to the extent applicable 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 "Financial Statements" beginning on page 120 of this Prospectus.

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 12 and 11 respectively, of this Prospectus.

### BUSINESS OVERVIEW

Our Company was incorporated as Sri Krishna Metcom Limited, as a public limited company, under the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2008.

Our Company is in the business of processing of non-basmati rice and basmati rice in India. We are the one of the largest processors of non-basmati rice with a milling capacity of 350 Metric tons per day in the State of Jharkhand. We process varieties of rice with the help of state of the art plant and machinery of International Standards i.e. Automatic Ultra Modern State of Art Buhler's Swiss Technology Rice Mill. We serve to our consumers healthy, hygienic, tasty and nutrient rice.

We have started commercial production in November, 2013. Today, our Company is a processor and supplier of the varieties of rice like Long Grain, Medium Grain, Short Grain, Minicut, Sharbati, Banskati, Swarna, Sonam, Katarni and Sonachur / Govindbhog etc. The non-basmati rice is processed at our processing plant located in the village Bandheya, Piska Nagri, Ranchi in the State of Jharkhand in India. The State of Jharkhand is considered as the Rice Bowl of India producing one of the best qualities of rice. With the help of advanced infrastructure, experienced & well trained professional personnel, quality control & labs supports, our policy and commitment to produce the best quality rice, we have been able to establish ourselves as one of the best processors of non-basmati rice in the State of Jharkhand.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

- We have passed a special resolution vide Shareholders resolution dated June 6, 2017 approving our IPO.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page 12 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Significant developments in India's economic and fiscal policies;
- Significant adverse weather conditions in India.
- Volatility in the Indian and global capital market;

### DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated Standalone financial results of our Company for years ended March 31, 2017, 2016, 2015, 2014 and 2013.



## Overview of Revenue & Expenditure

### Revenues

Our Company's revenue is primarily generated from processing of paddy.

(₹ In Lakhs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>Income</b>					
Revenue from Operations	8195.85	8085.86	7895.83	2411.15	0.16
Increase/Decrease in %	1.36%	2.41%	227.47%	-	-
Other Income	14.80	18.00	6.85	10.35	5.53
Increase/Decrease in %	(17.78%)	162.77%	(33.82%)	-	-
<b>Total Revenue</b>	<b>8210.65</b>	<b>8103.86</b>	<b>7902.68</b>	<b>2421.50</b>	<b>5.69</b>

The following is the Income mix in terms of value of operational income from Sale of Manufactured /Traded Goods and Job Work for processing of paddy of our Company.

(₹ In Lakhs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>Income</b>					
Sale of Manufactured / Traded Goods	7,494.40	7,455.73	7,348.80	2,411.15	0.16
Increase/Decrease in %	0.52%	1.46%	204.78%	-	-
Job Work for processing of paddy	701.45	630.13	547.03	-	-
Increase/Decrease in %	11.32%	15.19%	-	-	-
<b>Total Revenue</b>	<b>8195.85</b>	<b>8085.86</b>	<b>7895.83</b>	<b>2411.15</b>	<b>0.16</b>

The following is the Income mix in terms of value of total income of our Company.

(₹ In Lakhs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>Revenue from Operation</b>					
Processing of Paddy	8,195.85	8,085.86	7,895.83	2,411.15	0.16
<b>Total Revenue from Operation</b>	<b>8,195.85</b>	<b>8,085.86</b>	<b>7,895.83</b>	<b>2,411.15</b>	<b>0.16</b>

### Trade Receivables

The following table presents the details of our Company's trade receivables:

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>Unsecured and Considered Good</b>					
Outstanding for a period not exceeding six months*	146.36	45.53	244.60	122.55	0.00
As a % of total Trade receivables	100.00%	100.00%	100.00%	100.00%	-
Outstanding for a period exceeding six months	-	-	-	-	-
As a % of total Trade receivables	0.00%	0.00%	0.00%	0.00%	-
Less: Provision for doubtful debts	-	-	-	-	-
As a % of total Trade receivables					
<b>Total –Trade receivables</b>	<b>146.36</b>	<b>45.53</b>	<b>244.60</b>	<b>122.55</b>	<b>-</b>
Average Collection Period (In no. of days)	7	3	12	18	-



## Expenditure

Our Company's operating expenditure consists of following:

- Cost of material consumed, Purchase of Stock-in-Trade, Cost Packing Material Consumed, Employees benefit expenses, Finance cost, Depreciation and Other expenses.

## **RESULTS OF OPERATIONS**

### Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(₹ In Lakhs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<b>INCOME</b>					
Revenue from Operations	8,195.85	8,085.86	7,895.83	2,411.15	0.16
Increase/Decrease in %	1.36%	2.41%	227.47%	0.00%	0.00%
Other Income	14.80	18.00	6.85	10.35	5.53
Increase/Decrease in %	-17.78%	162.77%	-33.82%	0.00%	0.00%
<b>Total Revenue</b>	<b>8,210.65</b>	<b>8,103.86</b>	<b>7,902.68</b>	<b>2,421.50</b>	<b>5.69</b>
<b>EXPENDITURE</b>					
Cost of Materials Consumed	5,652.25	5,493.70	5,505.77	2,755.42	0.00
As a % of Total Revenue	68.84%	67.79%	69.67%	113.79%	0.00%
Purchase of Stock-in-Trade	545.97	823.45	70.48	-	0.14
As a % of Total Revenue	6.65%	10.16%	0.89%	0.00%	2.46%
Cost Packing Material Consumed	244.24	235.57	220.62	45.32	-
As a % of Total Revenue	2.97%	2.91%	2.79%	1.87%	0.00%
Changes in inventories	(111.33)	(118.87)	613.01	(771.47)	-
As a % of Total Revenue	(1.36%)	(1.47%)	7.76%	(31.86%)	0.00%
Employee benefit expenses	387.3	361.46	246.2	67.64	0
As a % of Total Revenue	4.72%	4.46%	3.12%	2.79%	0.00%
Finance costs	177.51	149.26	194.8	143.87	0
As a % of Total Revenue	2.16%	1.84%	2.46%	5.94%	0.00%
Depreciation and amortization expense	298.86	337.14	373.36	162.02	0
As a % of Total Revenue	3.64%	4.16%	4.72%	6.69%	0.00%
Other expenses	843.12	750.15	590.71	178.21	0.46
As a % of Total Revenue	10.27%	9.26%	7.47%	7.36%	8.08%
<b>Total Expenditure</b>	<b>8,037.92</b>	<b>8,031.86</b>	<b>7,814.95</b>	<b>2,581.01</b>	<b>0.60</b>
<b>As a % of Total Revenue</b>	<b>97.90%</b>	<b>99.11%</b>	<b>98.89%</b>	<b>106.59%</b>	<b>10.54%</b>
<b>Profit before Exceptional Extraordinary items and tax</b>	<b>172.73</b>	<b>72.00</b>	<b>87.73</b>	<b>-159.51</b>	<b>5.09</b>
Exceptional Items	-	-	-	-	-
As a % of Total Revenue	-	-	-	-	-
<b>Profit before tax</b>	<b>172.73</b>	<b>72.00</b>	<b>87.73</b>	<b>-159.51</b>	<b>5.09</b>
<b>PBT Margin</b>	<b>2.10%</b>	<b>0.89%</b>	<b>1.11%</b>	<b>(6.59%)</b>	<b>89.46%</b>
<b>Tax expense :</b>					
- Current Tax	66.40	13.10	-	-	0.77
- Deferred Tax	3.50	(27.06)	(0.25)	0.99	-
- Previous Year Tax	-	-	-	-	-
<b>Total</b>	<b>69.90</b>	<b>(13.96)</b>	<b>(0.25)</b>	<b>0.99</b>	<b>0.77</b>
<b>As a % of Total Revenue</b>	<b>0.85%</b>	<b>(0.17%)</b>	<b>0.00%</b>	<b>0.04%</b>	<b>13.53%</b>
<b>Profit for the year</b>	<b>102.83</b>	<b>85.96</b>	<b>87.98</b>	<b>(160.50)</b>	<b>4.32</b>
<b>PAT Margin</b>	<b>1.25%</b>	<b>1.06%</b>	<b>1.11%</b>	<b>(6.63%)</b>	<b>75.92%</b>
<b>Cash profit</b>	<b>401.69</b>	<b>423.10</b>	<b>461.34</b>	<b>1.52</b>	<b>4.32</b>
<b>Cash margin</b>	<b>4.89%</b>	<b>5.22%</b>	<b>5.84%</b>	<b>0.06%</b>	<b>75.92%</b>

## FISCAL YEAR ENDED MARCH 31, 2017 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2016

### **Income**

Total revenue has marginally increased by Rs.109.99 Lakhs and 1.36% from Rs. 8,103.86 lakhs in the fiscal year ended March 31, 2016 to Rs.8,195.85 Lakhs in the fiscal year ended March 31, 2017. Sales of Products has increased by Rs. 38.67 Lacs due to slight change in product combination, and Job Work charges for processing of paddy has increased by Rs. 71.32 Lacs due to a marginal increase in quantity of paddy processed, leading to an overall increase in the revenue.

### **Expenditure**

Total Expenditure marginally increased by Rs. 6.06 Lakhs and 0.08%, from Rs. 8,031.86 Lakhs in the fiscal year ended March 31, 2016 to Rs. 8,037.92 Lakhs in the fiscal year ended March 31, 2017. Overall expenditure has increased mainly due to increase paddy price, packing material, employee benefit expenses and other expenses.

### **Cost of Materials Consumed**

Cost of Materials Consumed in terms of value and percentage increased by Rs. 158.55 Lakhs and 2.89% from Rs.5,493.70 Lakhs in the fiscal year ended March 31, 2016 to Rs. 5,652.25Lakhs in the fiscal year ended March 31, 2017. Cost of Materials Consumed has increased due to increase in paddy price.

### **Purchase of Stock-in-Trade**

Purchase of Stock-in-Trade in terms of value and percentage decreased by Rs.277.48 Lakhs and 33.70% from Rs.823.45 Lakhs in the fiscal year ended March 31, 2016 to Rs. 545.97 Lakhs in the fiscal year ended March 31, 2017. Purchase of Stock-in-Trade has reduced due to increase in own production and lesser trading.

### **Cost of Packing Material Consumed**

Cost of Packing Material Consumed in terms of value and percentage increased by Rs. 8.67 Lakhs and 3.68% from Rs. 235.57 Lakhs in the fiscal year ended March 31, 2016 to Rs.244.24 Lakhs in the fiscal year ended March 31, 2017. Cost of Packing Material Consumed has increased due to increased cost of packing material.

### **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by Rs. 25.84 Lakhs and 7.15% from Rs.361.46 Lakhs in the fiscal year ended March 31, 2016 to Rs. 387.3 Lakhs in the fiscal year ended March 31, 2017. Overall employee cost has increased due to increase in general increment in salary & incentives to employees.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 28.25 Lakhs and 18.93% from Rs. 149.26 Lakhs in the fiscal year ended March 31, 2016 to Rs. 177.51 Lakhs in the fiscal year ended March 31, 2017. Finance Costs has increased mainly due to higher interest outgo on increased borrowings.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by Rs.38.28 Lakhs and 11.35% from Rs.337.14 Lakhs in the fiscal year ended March 31, 2016 to Rs. 298.86 Lakhs in the fiscal year ended March 31, 2017. Decrease in depreciation is general in nature.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 92.97 Lakhs and 12.39% from Rs.750.15 Lakhs in the fiscal year ended March 31, 2016 to Rs.843.12 Lakhs in the fiscal year ended March 31, 2017. Other Expenses has increased mainly due to increase in advertisement and promotion expenses, power & fuel, Carriage Outward, rent rates & taxes, repairs & maintenance expenses and traveling & conveyance.

### **Profit before exceptional & extraordinary items and Tax**

Profit before exceptional & extraordinary items and Tax has increased by Rs. 100.73 Lakhs and 139.90% from Rs.72.00 Lakhs in the fiscal year ended March 31, 2016 to Rs. 172.73 Lakhs in the fiscal year ended March 31, 2017. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operations and lower expenses.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs.16.87 Lakhs and 19.63% from profit of Rs. 85.96 Lakhs in the fiscal year ended March 31, 2016 to profit of Rs. 102.83 Lakhs in the fiscal year ended March 31, 2017. Net profit has increased due to increase in revenue from operations and lower expenses.

## FISCAL YEAR ENDED MARCH 31, 2016 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2015

### **Income**

Total revenue increased by Rs.190.03 Lakhs and 2.41% from Rs. 7,902.68 lakhs in the fiscal year ended March 31, 2015 to Rs.8,085.86 Lakhs in the fiscal year ended March 31, 2016. The revenue has increased due to increase in sale of rice.

### **Expenditure**

Total Expenditure increased by Rs.216.91 Lakhs and 2.78%, from Rs. 7,814.95 Lakhs in the fiscal year ended March 31, 2015 to Rs. 8,031.86 Lakhs in the fiscal year ended March 31, 2016. Overall expenditure has increased mainly due to increased trading and increased packing material cost, employee benefit expenses and other expenses.

### **Cost of Materials Consumed**

Cost of Materials Consumed in terms of value and percentage decreased marginally by Rs.12.07 Lakhs and 0.22% from Rs.5,505.77 Lakhs in the fiscal year ended March 31, 2015 to Rs.5,493.70 Lakhs in the fiscal year ended March 31, 2016.

### **Purchase of Stock-in-Trade**

Purchase of Stock-in-Trade in terms of value and percentage increased by Rs.752.97 Lakhs and 1068.35% from Rs.70.48 Lakhs in the fiscal year ended March 31, 2015 to Rs.823.45 Lakhs in the fiscal year ended March 31, 2016. Purchase of Stock-in-Trade has increased due to increased trading in certain varieties of rice.

### **Cost of Packing Material Consumed**

Cost of Packing Material Consumed in terms of value and percentage increased by Rs.14.95 Lakhs and 6.78% from Rs.220.62 Lakhs in the fiscal year ended March 31, 2015 to Rs. 235.57 Lakhs in the fiscal year ended March 31, 2016. Cost of Packing Material Consumed has increased due to increase cost of packing material.

### **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by Rs.115.26 Lakhs and 46.82% from Rs.246.2 Lakhs in the fiscal year ended March 31, 2015 to Rs.361.46 Lakhs in the fiscal year ended March 31, 2016. Overall employee cost has increased due to increase in no. of employees and general increment in salary & incentives to employees.

### **Finance Costs**

Finance Costs in terms of value and percentage decreased by Rs.45.54 Lakhs and 23.38% from Rs.194.8 Lakhs in the fiscal year ended March 31, 2015 to Rs.149.26 Lakhs in the fiscal year ended March 31, 2016. Finance Costs has decreased mainly due to lower interest outgo.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by Rs.36.22 Lakhs and 9.70% from Rs. 373.36 Lakhs in the fiscal year ended March 31, 2015 to Rs.337.14 Lakhs in the fiscal year ended March 31, 2016. Decrease in depreciation is general in nature.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs.159.44 Lakhs and 26.99% from Rs.590.71 Lakhs in the fiscal year ended March 31, 2015 to Rs.750.15 Lakhs in the fiscal year ended March 31, 2016. Other Expenses has increased mainly due to increase in advertisement and promotion expenses, power & fuel, consumption of stores and spare parts, Carriage Outward, rent rates & taxes, repairs & maintenance expenses, professional fee, waste removing expenses and traveling & conveyance.

### **Profit before exceptional & extraordinary items and Tax**

Profit before exceptional & extraordinary items and Tax has decreased by Rs.15.73 Lakhs and 17.93% from Rs.87.73 Lakhs in the fiscal year ended March 31, 2015 to Rs.72.00 Lakhs in the fiscal year ended March 31, 2016. Profit before exceptional & extraordinary items and Tax has decreased due to higher expenses.

### **Net Profit after Tax and Extraordinary items**

Net Profit has decreased by Rs.2.02 Lakhs and 2.30% from profit of Rs.87.98 Lakhs in the fiscal year ended March 31, 2015 to profit of Rs.85.96 Lakhs in the fiscal year ended March 31, 2016. Net profit has decreased due to increase in expenses.

## **FISCAL YEAR ENDED MARCH 31, 2015 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2014**

The Company has commenced processing of rice in November 2013. In 2013-14, the Company had only 5 months of operations as compared to full year operations in 2014-15. Hence, the figures for year ended March 31, 2015 are not comparable with the figures for the year ended March 31, 2014.

### **OTHER MATTERS**

#### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 12 of this Prospectus, to our knowledge there are no known significant economic changes 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 revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 12 of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

#### **4. Future relationship between Costs and Income**

Our Company’s future costs and revenues will be determined by competition, demand/supply situation, Indian Government Policies, foreign exchange rates and interest rates quoted by banks & others.

#### **5. The extent to which material increases in net revenue are due to increased loan volume, introduction of new products, increased rates**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

#### **6. Total turnover of each major industry segment in which the issuer company operates**

The Company is operating in food processing industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 70 of this Prospectus.

#### **7. Status of any publicly announced new products or business segments**

Our Company has not announced any services and product and segment / scheme, other than disclosure in this Prospectus.

#### **8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature to the extent of availability of raw material i.e. paddy which is seasonal in nature.

#### **9. Any significant dependence on a single or few suppliers or customers**

The Company’s business is not dependent on few customers or suppliers.

#### **10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 76 of this Prospectus.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

#### I. Litigations involving our Company

##### A. *Against our Company*

Nil

##### *Income Tax related matters*

The Income Tax Authority, Ranchi, had conducted a search & seizure operation on July 22, 2015 on the office and factory premises on the Panchakanya group of companies including the residence of its Directors. The Income tax investigation department has prepared their appraisal report and sent the same to the concerned authority for further processing in the above search and seizure matter.

Further, a notice under Section 153-A of the Income Tax Act has been issued by the Income Tax Department on February 4, 2016 directing the Company to re-file the Income tax Returns for the Assessment Years 2010-2011 to 2015-16 (six years). In compliance of same, the Company has re-filed the required Income Tax Returns on 1st, 2nd and 3rd days of March, 2016.

##### B. *By our Company*

Nil

#### II. Litigations involving our Promoters

##### A. *Against our Promoters*

Nil

##### B. *By our Promoters*

Nil

#### III. Litigations involving our Directors other than Promoters of our Company

##### C. *Against our Directors*

Nil

##### D. *By our Directors*

Nil

#### IV. Litigations involving our Group Entities

##### A. *Against our Group Entities*

Nil

##### B. *By our Group Entities*

Nil

#### V. Litigations relating to the Directors of Group companies

##### A. *Against Directors of our Group Companies*

Nil

##### B. *By Directors of our Group Companies*

Nil

**VI. Other litigations involving any other entities which may have a material adverse effect on our Company**

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

**VII. Details of the past penalties imposed on our Company / Directors**

As on the date of the Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

**VIII. Amounts owed to small scale undertakings or any other creditors**

There are no outstanding dues to small scale undertaking(s) or to any other creditors above ₹1,00,000 by our Company, for more than 30 days, except in the ordinary course of business.

**IX. Material developments occurring after last balance sheet date, that is, March 31, 2017**

Except as disclosed in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” beginning on page number 137 of the Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in the Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or its ability to pay its material liabilities within the next 12 months.

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.

## GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of the Prospectus.

It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Industry Regulations and Policies” beginning on page number 87 of the Prospectus.

### A. Approvals for the Issue

#### Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on May 2, 2017 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated June 6, 2017 under Section 62(1)(c) & relevant rules and provisions of the Companies Act 2013, authorized the Issue.

#### Approvals from Selling Shareholders

The Selling Shareholders have approved the transfer of Equity Shares pursuant to the Offer as set out below:

Sr. No.	Name of the Selling Shareholder	Date of consent letter	Number of Equity Shares offered for sale
1	Sudhir Prasad Sahu (HUF)	April 26, 2017	3,11,000
2	Krishna Devi	April 26, 2017	9,00,000
3	Binita Sahu	April 26, 2017	6,00,000
4	Ekta Sahu	April 26, 2017	6,00,000
5	Yogesh Kumar Sahu (HUF)	April 26, 2017	2,44,000
6	Gyan Prakash Sahu (HUF)	April 26, 2017	2,45,000

#### Approvals from Lenders

1. The Company has obtained all the relevant approvals from IDBI Bank dated June 6, 2017.

### B. Corporate / General Authorisations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Regulation	Date of Issue	Valid upto
1.	Certificate of Incorporation in the name of ‘Sri Krishna Metcom Limited’	Registrar of Companies, Bihar and Jharkhand	U27103JH2008PLC 013255	Companies Act, 1956	July 31, 2008	Perpetual
2.	Certificate of Commencement of Business in the name of ‘Sri Krishna Metcom Limited’	Registrar of Companies, Bihar and Jharkhand	U27103JH2008PLC 013255	Companies Act, 1956	August 25, 2008	Perpetual
3.	Certificate upon Change in object clause	Registrar of Companies, Bihar and Jharkhand	U15400JH2008PLC 013255	Companies Act, 1956	May 24, 2012	Perpetual



### C. Tax Related Authorisations

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number	Income Tax Department, GoI	AAMCS2633Q	--	Perpetual
2.	Tax Deduction Account Number	Income Tax Department, GoI	RCHSO2695A	--	Perpetual
3.	Goods and Service Tax Registration	Govt. of India and State of Jharkhand	20AAMCS2633Q1Z2	26/06/2107	Provisional
4.	Tax Identification No. (Jharkhand VAT)	Commercial Taxes Department, Govt. of Jharkhand	20930308764	February 1, 2014	Valid until cancellation
5.	Registration of Industrial unit who obtain bulk supply of energy	Commercial Taxes Department, Govt. of Jharkhand	20660343020	February 1, 2014	Valid until cancellation

### D. Business Related Certifications

Our Company has received the following significant government and other approvals pertaining to our business:

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Regulation	Date of Issue	Valid up to
1.	Certificate of Enrolment	Deputy Commissioner, Profession Tax	206004280000047	Jharkhand Tax on Profession, Trades, Callings and Employments Act, 2011	November 4, 2013	Valid until cancellation
2.	FSSAI License	Food Safety Administration Dept. of Health, govt. of Jharkhand	11116001000247	FSS Act, 2006	May 18, 2016	May 17, 2021
3.	Certificate of Importer-Exporter Code (IEC)	Office of Jt. Director General of Foreign Trade, GoI	2112003127	Foreign Trade (Regulation) Rules, 1993	December 24, 2012	Valid until cancellation
4.	Registration-cum-Membership Certificate	Agriculture and Processed Food Products Export Development Authority	168713	APEDA Act, 1985	January 15, 2013	January 14, 2018
5.	Consent to operate	Jharkhand State Pollution Control Board, Ranchi	72022/RCH,2013-06-13	Water (Prevention & Control of Pollution) Act, 1974	December 26, 2016	December 31, 2019
6.	Approval for electronic road weigh bridge of 60 tons	Weights and Measure Dept., Govt. of Jharkhand	166915	The Standards of Weights and Measures Act, 1976	May 8, 2017	March 31, 2018



#### E. Factory and Labour related Approvals/ Certifications

Our Company has received the following significant government and other approvals pertaining to our Factory and Labour:

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/ Regulation	Date of Issue	Valid upto
1.	Factory Licence	Inspector of Factories	FCA16364000 88601	Factories Act, 1948 read with Jharkhand Factories Rules, 1950	January 14, 2017	December 31, 2021
2.	Industrial Entrepreneur Memorandum	Secretariat for Industrial Assistance, Ministry of Commerce & Industry	2555/SIA/IMO /2012	Industries (Development & Regulation) Act, 1951	November 15, 2012	Valid until cancellation
3.	EPF Code	Assistant PF Commissioner	JH/RAN/00335 79/000/0- 1/2566	Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the schemes framed there under.	February 25, 2014	Valid until cancellation
4.	Certificate for use of a boiler	Chief Inspector of Boilers	JH/9071	Boilers Act, 1923 read with Indian Boilers Regulations, 1950	January 12, 2015	Valid until cancellation
5.	No Objection Certificate (Consent to Establish)	Jharkhand State Pollution Control Board	PC/NOC/RNC/ 199/12 B-5290	Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	September 30, 2013	Up to six Months
6.	Registration for employment of contract labour	Office of Registrar	317	The Contract Labour (Regulation and Abolition) Act, 1970	April 10, 2014	Valid until cancellation

#### F. Intellectual Property

NIL

#### G. Material licenses / approvals for which our Company is yet to apply / Statutory Approvals/Licenses required for the proposed expansion

NIL



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

1. The Offer has been authorised by a resolution of the Board of Directors passed at their meeting held on May 2, 2017.
2. Our shareholders have pursuant to a resolution passed at their meeting dated June 6, 2017 under Section 62(1)(c) & relevant rules and provisions of the Companies Act 2013, authorized the Issue.
3. The Selling Shareholders have consented for the transfer of Equity Shares pursuant to the Offer as set out below:

Sr. No.	Name of the Selling Shareholder	Date of consent letter	Number of Equity Shares offered for sale
1	Sudhir Prasad Sahu (HUF)	April 26, 2017	3,11,000
2	Krishna Devi	April 26, 2017	9,00,000
3	Binita Sahu	April 26, 2017	6,00,000
4	Ekta Sahu	April 26, 2017	6,00,000
5	Yogesh Kumar Sahu (HUF)	April 26, 2017	2,44,000
6	Gyan Prakash Sahu (HUF)	April 26, 2017	2,45,000

The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

We have also obtained all necessary contractual approvals required for this Offer. For further details, refer to the chapter titled “Government and Other Approvals” beginning on page number 145 of the Prospectus.

We have received approval from NSE *vide* their letter dated August 09, 2017 to use the name of NSE in the Prospectus for listing of our Equity Shares on SME Platform of NSE.

### Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company 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.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten Crore Rupees and upto twenty five Crore Ruprees and we may hence 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). Our Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares

**We confirm that:**

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Offer has been hundred percent underwritten by the Lead Manager.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits 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 Lead Manager will ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “*General Information – Details of the Market Making Arrangements for this Offer*” on page 32 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 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 us in this Issue.

**NSE ELIGIBILITY NORMS:**

**We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):**

1. The company was incorporated under the Companies Act, 1956.
2. Our Company currently has a paid up capital in excess of ₹1 crore, and the Post Issue Capital shall be ₹13.23 crores.
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on March 31, 2017 is positive.
5. Other Requirements
  - The company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories. Also the Equity Shares allotted through this Issue will be in dematerialized mode.
  - Our Company has a live and operational website: [www.skmltd.co.in](http://www.skmltd.co.in)
  - Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).



- There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
- Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

Our Company confirms that we have made disclosures, wherever applicable, with respect to defaults in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group companies, companies promoted by the promoters during the past three years in the Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, MICROSEC CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER, MICROSEC CAPITAL LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, MICROSEC CAPITAL LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 08, 2017 WHICH READS AS FOLLOWS:**

**WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID OFFER.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, 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 OFFER DOCUMENT FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - c) THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES 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 OFFER DOCUMENT ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE OFFER DOCUMENT WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE OFFER DOCUMENT.
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 EQUITY SHARES 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 OFFER DOCUMENT.
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 OFFER. 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – *NOT APPLICABLE*
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION 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.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – *NOTED FOR COMPLIANCE*
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE OFFER DOCUMENT 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, EQUITY SHARES IN THE OFFER/ISSUE HAVE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.*
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE 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 OFFER.
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 OF THE COMPANY, 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 OFFER DOCUMENT 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, MICROSEC CAPITAL LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR - DETAILS ARE ENCLOSED IN "ANNEXURE - A"
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - *COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE THIS PROSPECTUS.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER 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 OFFER DOCUMENT 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 OFFER DOCUMENT 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 ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - *NOTED FOR COMPLIANCE*
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS- *NOT APPLICABLE*



**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. - NOTED FOR COMPLIANCE**

**Note:**

The filing of this Offer Document does not, however, absolve our Company from any liabilities under section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed offer. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies, Jharkhand, in terms of Section 26, 32 and 33 of the Companies Act, 2013.

**Disclaimer Statement from our Company, the Selling Shareholders and the Lead Manager**

Our Company, our Directors, the Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.skmltd.co.in](http://www.skmltd.co.in), would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for offer management, the Underwriting Agreement and the Market Making Agreement.

Our Company, our Directors, the Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than in this 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 [www.skmltd.co.in](http://www.skmltd.co.in), would be doing so at his or her own risk.

Our Company, our Directors, the Selling Shareholders and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, *etc.*

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company, the Selling Shareholders and their respective associates in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

**Price Information and the track record of the past Issues handled by the Lead Manager**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to 'Annexure A' to the Prospectus and the website of the Lead Manager at [www.microsec.in](http://www.microsec.in)

**Disclaimer in Respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section



2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 lakhs, pension funds with minimum corpus of ₹2,500 lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company the Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Ranchi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Prospectus has been filed with NSE for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Disclaimer Clause of the Emerge Platform of NSE**

National Stock Exchange of India Limited (NSE) has given permission vide letter NSE/LIST/15242 dated August 09, 2017, to use its name in the offer document in respect of the proposed public issue of equity shares. The disclaimer clause of stock exchange is as given below:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/15242 dated August 09, 2017 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **Filing**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department at their Eastern Regional Office situated at: L&T Chambers, 3<sup>rd</sup> Floor, 16 Camac Street, Kolkata - 700 017. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013, will be delivered to the Registrar of Companies, Jharkhand situated at Mangal Tower, 4th floor, Old Hazaribagh Road, Near Kanta Toli Chowk, Ranchi -834001

## Listing

Application will be made to the NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE has given its in-principal approval for using its name in our Prospectus vide its letter No. NSE/LIST/15242 dated August 09, 2017.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of NSE, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight working days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from such expiry of eight working days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the NSE mentioned above are taken within six Working Days from the Offer Closing Date. Further, the Selling Shareholder confirms that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE where the Equity Shares are proposed to be listed within six working days of the Offer closing date.

## Impersonation

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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”*

## Consents

We have obtained consents in writing of our Directors, the Promoters, the Selling Shareholders, Company Secretary and Compliance Officer, the Statutory Auditors, the Lead Manager, the legal advisor to the Offer, the Registrar to the Offer, Refund Bank(s) and the Banker(s) to the Offer, to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the RoC as required under Sections 26, 32 and 22 of the Companies Act, 2013, and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with NSE.

## Expert Opinion

Except for (a) Statutory Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits by the statutory auditors, M/s N K Kejriwal & Co., Chartered Accountants (a copy of the said report and statement of tax benefits has been included in the Prospectus), we have not obtained any other expert opinions.

## Offer Related Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. All expenses with respect to the Offer will be paid by and shared between all the Selling Shareholders and the Company. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company. However, expenditure with respect to listing fees and Market Making charges will be paid by our Company. The estimated Offer expenses are as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Issue Management fees including fees and reimbursements of Market Making fees (1st year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	32.50
2.	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs	4.50
3.	Advertisement, Printing & Stationery, Marketing Expenses, etc.	5.00
4.	Listing Fees, Market Regulatory & Other Expenses	8.00
<b>Total</b>		<b>50.00</b>

### Details of Fees Payable

#### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Offer Agreement dated July 6, 2017 executed between our Company, Selling Shareholders and the Lead Manager, the copy of which is available for inspection at our Registered Office.

#### Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Agreement signed by our Company, Selling Shareholders and the Registrar to the Offer dated July 6, 2017 a copy of which is available for inspection at our Registered Office. The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Offer to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

#### Underwriting Commission, Brokerage and Selling Commission on Previous Issues

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### Previous Rights and Public Issues since incorporation

We have not made any previous rights and/or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

#### Previous Issues of Shares otherwise than for Cash

Other than as detailed under chapter titled ‘Capital Structure’ beginning on page 34 of the Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### Commission and Brokerage on Previous Issues

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

#### Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

None of our Group Entities have made any capital issue during the last three years.

#### Promise Versus performance for our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares in past.

### **Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company**

As on the date of the Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Mechanism for Redressal of Investor Grievances**

The Agreement between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicants.

### **Disposal of Investor Grievances by our Company**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicants shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on April 1, 2017. For further details, please refer to the chapter titled “*Our Management*” beginning on page number 97 of the Prospectus.

Our Company has appointed Ms. Namrata Maheswari as the Company Secretary and Compliance Officer and she may be contacted at the following address:

#### **Sri Krishna Metcom Limited**

504, Mangal Murti Heights,

5th Floor, Rani Bagan,

Harmu Road,

Ranchi - 834001

Jharkhand

**Tel:** +91 651 2285853

**Fax:** +91 651 2283337

**Email:** skmltd@gmail.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

### **Changes in Auditors during the last three financial years**

There is no change in the statutory auditors of our Company in the past three years.

### **Capitalisation of Reserves or Profits**

Our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.



## **SECTION VII – ISSUE INFORMATION**

### **TERMS OF THE OFFER**

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### **RANKING OF EQUITY SHARES**

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013, our Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled, 'Main Provisions of the Articles of Association of the Company' on page 211 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled 'Dividend Policy' on page 119 of this Prospectus.

### **FACE VALUE AND ISSUE PRICE**

The Equity Shares having a Face Value of ₹ 10/- each are being offered in terms of this Prospectus at the price of ₹ 55/- per Equity Share. The Issue Price is determined by our Company and Selling Shareholders in consultation with the Lead Manager and is justified under the chapter titled 'Basis for Offer Price' beginning on page 66 of the Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- In case of shares being offered for sale, the dividend, if any, for the entire year shall be payable to the transferees
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29(1) of the Companies Act, 2013, the equity shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by the NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Shares subject to a minimum allotment of 2,000 Equity Shares to the successful Applicants terms of the SEBI circular No.CIR/MRD/DSA/06/2012 dated February 21, 2012.

## **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within 6 working days of closure of Issue.

## **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, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

## **MINIMUM SUBSCRIPTION**

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the ICDR Regulations, the Issue is not restricted to any minimum subscription level and is 100% underwritten. Further, pursuant to Regulation 106R of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50.

This issue is not restricted to any minimum subscription level. This issue is 100% underwritten. However, we shall ensure that the minimum subscription to be received shall be subject to allotment of minimum number of specified securities as prescribed in sub-clause (b) of clause (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 and also that the minimum number of allottees as prescribed in regulation 106R of the SEBI (ICDR) Regulations, 2009, as amended.



## **MIGRATION TO MAIN BOARD**

Our company may migrate to the main board of National Stock Exchange of India Limited at 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 Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment 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 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in 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 NSE Emerge Platform wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the National Stock Exchange of India Limited for a minimum period of three years from the date of listing of shares offered through the Prospectus. For further details of the Market Making arrangement see chapter titled “General Information - Details of the Market Making Arrangements for this Issue” beginning on page 32 of this Prospectus.

## **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 chapter titled “Capital Structure” beginning on page 34 of the Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section “Main Provisions of the Articles of Association” beginning on page 211 of the Prospectus.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Makers shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge Platform.

## **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Our Company shall issue shares only in dematerialized form. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment.

## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ranchi, Jharkhand, 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.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, since our post offer paid up capital exceed ₹10 crores. For further details regarding the salient features and terms of such an Offer please refer chapter titled “*Terms of the Offer*” and “*Offer Procedure*” on page 159 and 165 of the Prospectus.

The Issue comprise of Fresh Issue of 6,00,000 Equity Shares and Offer for Sale of 29,00,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of ₹55 per Equity Shares (*including a premium of ₹45 per equity share*) aggregating to ₹1,925 Lakhs (“*the issue*”) by our Company of which 1,80,000 Equity Shares of ₹10/- each will be reserved for subscription by Market Maker and a Net Issue to public of 33,20,000 Equity Shares of ₹10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.45% and 25.09% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process.

Particulars	Net Offer to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares available for allocation</b>	33,20,000 Equity Shares	1,80,000 Equity Shares
<b>Percentage of Offer Size available for allocation</b>	94.86% of the Issue Size	5.14% of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each.  For further details please refer to – “ <i>Basis of Allotment</i> ” on page 199 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA process only
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of 2000 Equity Shares at an Issue price of ₹55.00 each, such that the Application Value exceeds ₹2.00 Lakh.  <u>For Retail Individuals Investors:</u> <u>2000 Equity Shares at an Issue price of ₹55.00 each</u>	1,80,000 Equity Shares
<b>Maximum Application Size</b>	<u>For Other than Retail Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <u>For Retail Individuals Investors:</u> <u>Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value does not exceed ₹2.00 Lakhs</u>	1,80,000 Equity Shares
<b>Trading Lot</b>	2,000 Equity Shares	2,000 Equity Shares, However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Application lot Size</b>	2,000 Equity Shares thereafter Equity Shares and in multiples of 2,000	
<b>Terms of payment</b>	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Offer Structure” on page 163 of the Prospectus.

^ As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual Applicant other than retail Individual Investors; and
  - ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

### Withdrawal of the Offer

The Company and Selling Shareholder, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh 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, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

### Offer Programme

<b>OFFER OPENS DATE</b>	<b>SEPTEMBER 14, 2017</b>
<b>OFFER CLOSES DATE</b>	<b>SEPTEMBER 18, 2017</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a. A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b. A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.

## OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by the National Stock Exchange of India Ltd. (NSE) to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com/emerge>. For details on their designated branches for submitting Application Forms, please see the above mentioned NSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

## PART A

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications 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 Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager 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 Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant'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 Application Form and entered into the electronic application system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants 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.

## APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com/emerge](http://www.nseindia.com/emerge)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup>excluding electronic Application Form

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

## Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non- Institutional Applications portion;
9. VCFs registered with SEBI;

10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

***As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.***

**Applications not to be made by:**

1. Minors (except through their Legal Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

**Maximum and Minimum Application Size**

**a) For Retail Individual Applicants:**

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

**For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 2,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the**

**size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

#### **Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the 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 Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com/merge](http://www.nseindia.com/merge)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.
- f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com/merge](http://www.nseindia.com/merge)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

#### **Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

#### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

### **Applications by Eligible NRIs**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying 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 Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Applications by FPI and 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. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications 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 Application Form, failing which our Company reserves the right to reject any application 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 Applications 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 Application Form, failing which our Company reserves the right to reject any Application 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 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% 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 24.00% 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 Application Form for Non-Residents (blue in color).

### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval).

### **Applications 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 such applications.

### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application 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 this Prospectus.**

**General Instructions Do's:**

- 1) Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 11) Except for Applications (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) Applications 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 Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 12) Ensure that the Demographic Details are updated, true and correct in all respects;
- 13) 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;
- 14) Ensure that the category and the investor status is indicated;
- 15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock 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



Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

- 18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 20) Ensure that you have correctly signed the authorisation/undertaking box in the 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 Application Amount mentioned in the Application Form at the time of submission of the Application;
- 21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding ₹200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied 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 Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply 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);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants 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 Applicant.

### **Payment instructions**

The entire Issue price of ₹55 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

### **Electronic Registration of Applications**

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.

- 6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
- Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN Number
  - DP ID & Client ID
  - Numbers of Equity Shares Applied for;
  - Amount;
  - Location of the Banker to the Issue or Designated Branch, as applicable;
  - Bank Account Number and
  - Such other information as may be required.
- 7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.
- 8) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
- 9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
- 10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.
- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

#### **Allocation of Equity Shares**

- 1) The Issue is being made through the Fixed Price Process wherein 180,000 Equity Shares shall be reserved for the Market Maker. 16,60,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non-Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retails Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre- issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company and the Lead Manager have entered into an Underwriting Agreement on July 6, 2017.
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no 28 of this Prospectus.
- 14) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre- issue or post- issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

### **Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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 months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertaking by our Company**

We undertake the following:

- 1) If our Company does not proceed with the Issue after the 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 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;
- 2) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) 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;
- 7) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 8) 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/unblocked in ASBA Account on account of non-listing, under-subscription etc;
- 9) Adequate arrangements shall be made to collect all Application Forms

### **Undertakings by the Selling Shareholders**

Each Selling Shareholder severally undertakes that:

- 1) That the Equity Shares being sold by them pursuant to the Issue, have been held by them for a period of at least one year prior to the date of the Draft Prospectus, are fully paid-up and shall be in demat form prior to opening of the Issue;
- 2) That they are the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Issue;
- 3) That the Equity Shares being sold by them pursuant to the Issue are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the time specified under applicable law;
- 4) That they shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;
- 5) That they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company and the Lead Manager in redressing of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue;
- 6) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Prospectus shall be made available to the Registrar to the Issue by the Selling Shareholders;
- 7) That they shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds / unblocking are made through electronic transfer of funds, to the applicant within 4 (four) working days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- 8) That they shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 9) That, if the Selling Shareholders do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable co- operation requested by our Company and the Lead manager in this regard;
- 10) That they shall not further transfer the Equity Shares except in the Issue during the period commencing from submission of the Draft Prospectus with NSE until the final trading approvals from all the Stock Exchange has been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Issue;
- 11) That they shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Issue are available for transfer in the Issue within the time specified under applicable law; and
- 12) That they shall comply with all applicable laws, in India including the Companies Act, the SEBI Regulations and the applicable circulars, guidelines and regulations issued by SEBI and NSE, each in relation to the Equity Shares offered by them in the Issue.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **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, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants 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/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/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 Offers. 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, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/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 Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”) / Prospectus filed by the Issuer 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 Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

## **SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Offer (“Fixed Price Issue”). An Issuer 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 Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

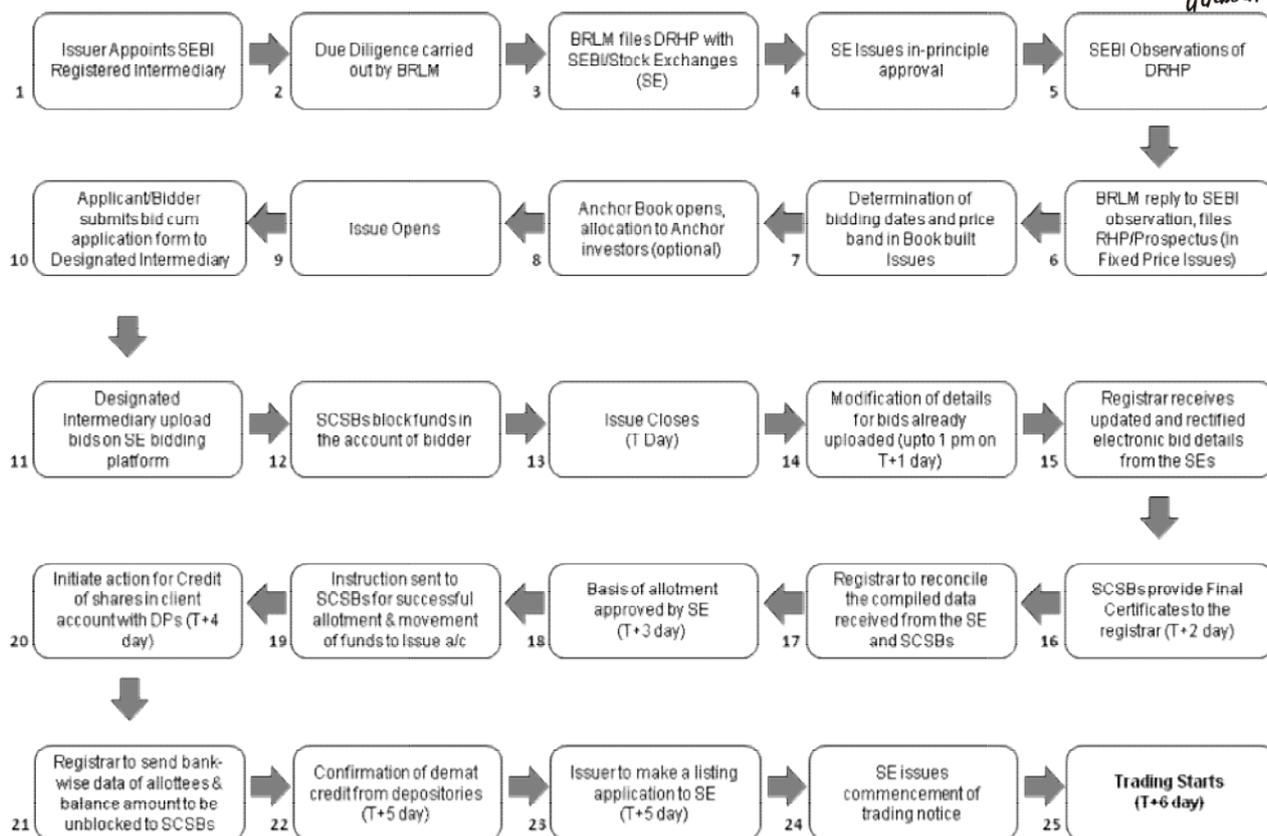
In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Bidder/Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, 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, corporate bodies and societies 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, 2009 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 Bidding 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 ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ 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 Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup>excluding electronic Application Form

Securities issued in an IPO can only be in dematerialized form in accordance 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.

#### INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GUID, the RHP/ Prospectus 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 Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:



TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
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 _____	
		Email _____	
		Tel. No (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	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"/> Hinds 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						
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)							
	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"/>

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 ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

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 line	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	

LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
------	---	---	------------------------------------

DPID / CLID	_____	PAN of Sole / First Bidder
-------------	-------	----------------------------

Amount paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
No. of Equity Shares					_____
Bid Price					
Amount Paid (₹)					
ASBA Bank A/c No. _____					<b>Acknowledgement Slip for Bidder</b>
Bank & Branch _____					Bid cum Application Form No. _____

**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 letters notifying the unblocking of the bank accounts of 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 Issuer, the Designated Intermediaries 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 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:*

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three 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. 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 which provide the General Index Register 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 the 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 unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- 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 Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the 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.
- d) **Minimum Application 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 application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

**Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹2,00,000.
- b) In case the Bid Amount exceeds ₹2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cutoff Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to ₹2,00,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the Issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 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 three Bids at 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 Designated Intermediary 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:
  - 1) 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.
  - 2) 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:
  - 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
  - 2) 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.



- 3) 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 DPIDs.
- 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **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) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- d) 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/Applicant may refer to the RHP/Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Bidder/Applicant 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 Bidders/Applicants, 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/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants 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.

Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the 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 Bid Amount net of Discount. Only in cases where the RHP/Prospectus 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) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - 2) 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
  - 3) 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, may 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 Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate 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 the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them 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 the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 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 applications 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, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 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 Offer may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/ Applicants 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/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/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/Application Form.
- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant 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 Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders/Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Bidders/Applicants should contact the relevant DP.
  - 7) Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - 2) name and address of the Designated Intermediary, where the Bid was submitted; or
  - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
- d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### 4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/ Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>				
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">BOOK BUILT ISSUE</td> <td style="width:50%; text-align: center;">Bid cum Application Form No. _____</td> </tr> <tr> <td style="text-align: center;">ISIN : .....</td> <td></td> </tr> </table>	BOOK BUILT ISSUE	Bid cum Application Form No. _____	ISIN : .....	
BOOK BUILT ISSUE	Bid cum Application Form No. _____					
ISIN : .....						

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	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 <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
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 REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID 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 name: 1) _____ 2) _____ 3) _____							

LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. _____
DPID / CLID _____		PAN of Sole / First Bidder _____	
Additional Amount Paid (₹) _____		Bank & Branch _____	
ASBA Bank A/c No. _____		Stamp & Signature of SCSB Branch	
Received from Mr./Ms. _____			
Telephone / Mobile _____		Email _____	

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1    Option 2    Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			
ASBA Bank A/c No. _____	<b>Acknowledgement Slip for Bidder</b>		
Bank & Branch _____	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/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants 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 options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant 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/Applicants 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/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹2,00,000. In case the Bid Amount exceeds ₹2,00,000 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 ₹2,00,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. 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/Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders/Applicants 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/Applicant 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/Applicant 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 ₹2,00,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant 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/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

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/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹2,00,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
  - 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants 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 applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for Applicants**

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant 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) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants 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 Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application 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 Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

##### **4.3.5.2 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 applications 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 Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue

Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, 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 Application 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 Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

**4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>• To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>• To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location</li> <li>• To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

- a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

#### SECTION 5: 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.

## 5.1 SUBMISSION OF BIDS

- a) During the Bid/ Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## 5.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## 5.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

## 5.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## 5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs &RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) 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;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP/ Prospectus and the Bid cum Application Forms;

- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications 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.

## 5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.
- d) Illustration of the Book Building and Price Discovery Process:

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹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 BRLMs, 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.

#### e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP/ Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

### **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date.

In a fixed price Issue, allocation in the net Issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

#### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 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 over subscription ratio (number of applicants in the category X number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants 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 applications where the proportionate allotment works out to less than 2000 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 2000 Equity Shares;
  - ii. The successful applicants out of the total applicants 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 applicant works out to a number that is not a multiple of 2000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2000 Equity Shares subject to a minimum allotment of 2000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 2000 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, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
- i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- ii. The balance net offer of shares to the public shall be made available for allotment to
- individual applicants other than retails individual investors and
  - other investors, including corporate bodies/ institutions irrespective of number of shares applied for

The unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants 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 Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP/Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- 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/Applicants 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/Applicants 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) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **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 six 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 CDPs, and dispatch the Allotment Advice within six 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 RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹ 3 lakhs, or with both.

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 take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders within the prescribed time 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 such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **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 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### **8.3 MODE OF REFUND**

- a) **In case of Bids/Applications (other than Anchor Investors):** Within six 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 Bid/Application and also for any excess amount blocked on Bidding/Application.

- b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus/ Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date

Term	Description
Bid/Offer Period	Except in the case of Anchor Investors(if applicable),the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants 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 websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may 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	Offer Price, finalised by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.

Term	Description
Designated CDP Locations	The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
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 promoter and immediate relatives of the promoter. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering

Term	Description
	as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
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 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 Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
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
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	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 and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s), finalise the Offer Price

Term	Description
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three working days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> And updated from time to time

Stock Exchanges / SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) 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 consolidated FDI Policy, which with effect from June 7, 2016 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 June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

### Subscription by foreign investors (NRIs/FPIs)

FPIs are permitted to subscribe to Equity 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. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10% subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the 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. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### Representation from the Applicants

No person shall make an application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make application under 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, as applicable, 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 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, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public 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 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 promulgated under 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 are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.



Our Company, Selling Shareholders, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

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.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## SECTION VIII – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulation, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each Provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

Article No.	Contents	Heading
2.	The Authorized 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 the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	<b>Share Capital</b>
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Issue of Sweat Equity Shares</b>
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	<b>Issue of Debentures</b>
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—</p> <p style="margin-left: 40px;">a. one certificate for all his shares without payment of any charges; or</p> <p style="margin-left: 40px;">b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	<b>Issue of Share Certificates</b>
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new	

Article No.	Contents	Heading
	certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	
10.	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	<b>Power to pay Commission in connection with the Securities issued</b>
11.	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	<b>Variations of Shareholder's rights</b>
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine	<b>Issue of Preference Shares</b>
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, 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 prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a</p>	<b>Further Issue of shares</b>

Article No.	Contents	Heading
	special resolution passed by the company in general meeting.	
15.	<p>i. The Company shall have a first and paramount lien—</p> <ol style="list-style-type: none"> <li>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</li> <li>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company.</li> <li>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares;</li> </ol> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ol style="list-style-type: none"> <li>a. unless a sum in respect of which the lien exists is presently payable; or</li> <li>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</li> </ol>	<b>Lien</b>
17.	<ol style="list-style-type: none"> <li>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ol>	
18.	<ol style="list-style-type: none"> <li>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</li> <li>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</li> </ol>	

Article No.	Contents	Heading
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <ol style="list-style-type: none"> <li>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li> <li>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</li> <li>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</li> <li>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</li> <li>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</li> <li>f) <ol style="list-style-type: none"> <li>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</li> <li>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</li> </ol> </li> <li>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</li> </ol>	<b>Joint Holdings</b>
20.	<ol style="list-style-type: none"> <li>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: <p style="margin-left: 40px;">Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> </li> <li>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</li> <li>iii. A call may be revoked or postponed at the discretion of the Board.</li> </ol>	<b>Calls on shares</b>
21.	<p>A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.</p>	<b>Calls on shares</b>
22.	<p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>	<b>Calls on shares</b>
23.	<ol style="list-style-type: none"> <li>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</li> <li>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</li> </ol>	<b>Calls on shares</b>

Article No.	Contents	Heading
24.	<ul style="list-style-type: none"> <li>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</li> <li>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</li> <li>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</li> </ul>	
25.	<p>The Board:</p> <ul style="list-style-type: none"> <li>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</li> <li>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</li> </ul>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	<p>The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.</p>	
28.	<p>The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
29.	<ul style="list-style-type: none"> <li>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</li> </ul>	
30.	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</li> </ul>	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</li> </ul>	<b>Transfer of shares</b>

Article No.	Contents	Heading
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ol style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</li> </ol> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ol style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;</li> <li>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</li> </ol>	
33.	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.</p>	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>	
35.	<p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
36.	<p>The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.</p>	<b>Register of Transfers</b>
37.	<ol style="list-style-type: none"> <li>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</li> <li>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</li> <li>b. Option for Investors: <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> </li> <li>c. Securities in Depository to be in fungible form:- <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul> </li> </ol>	

Article No.	Contents	Heading
	<p>d. Rights of Depositories &amp; Beneficial Owners:- Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. 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.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Transmission of shares</b>
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p style="margin-left: 40px;">a. to be registered himself as holder of the share; or</p> <p style="margin-left: 40px;">b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	

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40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.</p>	
44.	<p>The notice aforesaid shall—</p> <p>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>	
45.	<p>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p>	<b>Forfeiture of shares</b>
46.	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	
47.	<p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p> <p>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>	

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48.	<p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, 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 or disposal of the share.</p>	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share	
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or 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 the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Initial payment not to preclude forfeiture</b>
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	
57.	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <p>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>iii. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>	<b>Alteration of capital</b>
58.	<p>Where shares are converted into stock,—</p> <p>i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of</p>	

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	<p>the shares from which the stock arose.</p> <p>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>	<b>Conversion of Shares into Stock</b>
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>i. its share capital;</p> <p>ii. any capital redemption reserve account; or</p> <p>iii. Any share premium account.</p>	<b>Reduction of Capital</b>
60.	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	<b>Share Warrants</b>
61.	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>a. paying up any amounts for the time being unpaid on any shares held</p>	

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	<p>by such members respectively;</p> <p>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</p> <p>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</p> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	<b>Capitalisation of profits</b>
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b. generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	<b>Buy-back of shares</b>
64.	All General Meetings other than annual general meeting shall be called extra- ordinary general meetings.	
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	<b>General Meeting</b>
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p>	

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	<p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to fivethousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	<b>Proceedings at general meetings</b>
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding	
	shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.	
	ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	
73.	i. A poll demanded on a question of adjournment shall be taken forthwith. ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.	<b>Time of taking poll</b>
74.	i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Adjournment of meeting</b>
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— i. on a show of hands, every member present in person shall have one vote; and ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Voting rights</b>
78.	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 on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in	



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	<p>shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <ol style="list-style-type: none"> <li>a. the names of the Directors present at the meetings, and</li> <li>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</li> </ol> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <ol style="list-style-type: none"> <li>a. is or could reasonably be regarded, as defamatory of any person</li> <li>b. is irrelevant or immaterial to the proceedings; or</li> <li>c. is detrimental to the interests of the Company.</li> </ol> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	<b>Minutes to be considered to be evidence</b>
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	<b>Publication of reports of proceeding of general meetings</b>
93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Proxy</b>
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
96.	<p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Manish Kumar Sahu</li> <li>2. Mr. Yogesh Kumar Sahu</li> <li>3. Mr. Gyan Prakash Sahu</li> </ol>	
97.	The Directors need not hold any "Qualification Share(s)".	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities,</p>	<b>Board of Directors</b>

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	duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.	
99.	<p>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>b. in connection with the business of the company</p>	
100.	The Board may pay all expenses incurred in getting up and registering the company.	
101.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	
102.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
103.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	
104.	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	<b>Retirement and Rotation of Directors</b>
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became 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. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be	

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	required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	<b>Nominee Director</b>
113.	The Nominee Directors so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the	
	Corporation or as the case may be to such Nominee Directors. Provided that if any such Nominee Directors is an Officer of the Corporation/IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
115.	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	<b>Removal of Directors</b>
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119.	Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-, (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:  Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed,	

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	provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:  Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
123.	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
124.	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.  In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company.	<b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b>
125.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
126.	i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board. a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company, f. Power to Grant loans or give guarantee or provide security in respect of loans g. Power to approve financial statements and the Board's Report h. Power to diversify the business of the Company i. Power to approve amalgamation, merger or reconstruction j. Power to take over a Company or acquire a controlling or substantial stake in another Company k. Powers to make political contributions; l. Powers to appoint or remove key managerial personnel (KMP); m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel; n. Powers to appoint internal auditors and secretarial auditor; o. Powers to take note of the disclosure of director's interest and shareholding; p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company; q. Powers to invite or accept or renew public deposits and related matters;	<b>Powers and duties of Directors:</b>  <b>Certain powers to be exercised by the Board only at meeting.</b>

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	<p>r. Powers to review or change the terms and conditions of public deposit; Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>s. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the 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; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately precedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p>	<p style="text-align: center;"><b>Restriction on powers of Board</b></p>

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	No debt incurred by the Company in excess of the limit imposed by sub- clause (d) of clause (i) above, 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 clause had been exceeded.	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	<b>General powers of the Company vested in Directors</b>
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ol style="list-style-type: none"> <li data-bbox="363 920 1262 1010">i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li data-bbox="363 1043 1262 1256">ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li data-bbox="363 1290 1262 1469">iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li data-bbox="363 1503 1262 1738">iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li data-bbox="363 1771 1262 1895">v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li> <li data-bbox="363 1928 1262 2107">vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</li> <li data-bbox="363 2119 1262 2172">vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the</li> </ol>	<b>Specific powers given to Directors</b>

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	<p>building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or</p>	

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	<p>with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></p>

132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Proceedings</b>
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
135.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	
138.	<p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>	
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	<b>Delegation of Powers of Board to Committee</b>
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	<p>Subject to the provisions of the Act,—</p> <p>a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>

145.	<p>a) The Board shall provide for the safe custody of the seal.</p> <p>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p>	<b>The Seal</b>
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
147.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.	
148.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
149.	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	
150.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	
151.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
153.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	

156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	<b>Accounts</b>
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> <li>i. be kept at the registered office of the Company, and</li> <li>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</li> </ol> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	<b>Inspection of Statutory Documents of the Company</b>
160.	<p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>a. by any member or creditor without any payment of fees; or</li> <li>b. by any other person on payment of such fees as may be prescribed,</li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	<b>Register of charges</b>
161.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under. The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>c) d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	<b>Audit</b>
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ol style="list-style-type: none"> <li>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</li> <li>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such</li> </ol>	<b>Winding up</b>

	<p>division shall be carried out as between the members or different classes of members.</p> <p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	
163.	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—	<b>Indemnity</b>
164.	<p>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	<b>Secrecy</b>

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Offer Agreement dated July 6, 2017 between our Company, Selling Shareholders and Microsec Capital Limited as Lead Manager to the Issue.
2. Agreement dated July 6, 2017 executed between our Company, Selling Shareholders and the Registrar to the Issue (Link Intime India Private Limited)
3. Market Making Agreement dated July 6, 2017 between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated August 31, 2017 among our Company, Lead Manager, Banker to the Issue, Selling Shareholders and the Registrar to the Issue.
5. Underwriting Agreement dated July 6, 2017 between our Company, Selling Shareholders, Lead Manager and Underwriter.
6. Share Escrow Agreement dated August 31, 2017 between our Company, Selling Shareholders and the Share Escrow Agent.
7. Tripartite Agreement dated June 6, 2017 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated May 31, 2017 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company, as amended.
2. Certificate of Incorporation dated July 31, 2008 issued by the Registrar of Companies, Bihar and Jharkhand.
3. Certificate of Commencement of Business dated August 25, 2008 issued by the Registrar of Companies, Bihar and Jharkhand.
4. Copy of the Board Resolution dated May 2, 2017 authorizing the Issue, Offer for Sale and other related matters.
5. Copy of Shareholder's Resolution dated June 6, 2017 authorizing the Issue and other related matters.
6. Copies of the consent letters dated April 26, 2017 provided by the Selling Shareholders.
7. Copies of Audited Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013.
8. Statutory Auditors Report dated August 21, 2017, on Restated Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 and 2013.
9. Copy of the Statement of Tax Benefits dated July 6, 2017 from the Statutory Auditor.
10. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
11. Copy of Shareholders Resolution for appointment of the executive directors
12. Board Resolution dated July 7, 2017 for approval of Draft Prospectus, dated September 08, 2017 for approval of Prospectus.
13. Due Diligence Certificate from Lead Manager dated September 08, 2017 filed with SEBI.
14. Approval from NSE vide letter dated August 09, 2017 to use the name of NSE in the Prospectus for listing of Equity Shares on the SME Platform of the NSE.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## **DECLARATION**

We, the persons mentioned herein below, as the Selling Shareholders, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

### **SIGNED BY THE SELLING SHAREHOLDERS:**

**Krishna Devi**

**Binita Sahu**

**Ekta Sahu**

**Sudhir Prasad Sahu (Karta)  
For Sudhir Prasad Sahu (HUF)**

**Yogesh Kumar Sahu (Karta)  
For Yogesh Kumar Sahu (HUF)**

**Gyan Prakash Sahu (Karta)  
For Gyan Prakash Sahu (HUF)**

**Place: Ranchi**

**Date: September 08, 2017**



## DECLARATION

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY:**

**Yogesh Kumar Sahu**  
*Chairman & Managing Director*  
DIN: 02139226

**Gyan Prakash Sahu**  
*Whole- Time Director*  
DIN: 00194221

**Rajesh Agrawal**  
*Executive Director & CFO*  
DIN: 06448058

**Manish Kumar Mantri**  
*Non Executive & Independent Director*  
DIN: 07794554

**Jeevan Prasad**  
*Non Executive & Independent Director*  
DIN: 02486814

**Binita Sahu**  
*Non Executive & Non-Independent Director*  
DIN: 07792268

### **SIGNED BY THE CHIEF FINANCIAL OFFICER & COMPANY SECRETARY OF OUR COMPANY:**

**Rajesh Agrawal**  
*Chief Financial Officer*

**Namrata Maheswari**  
*Company Secretary & Compliance officer*

**Place: Ranchi**

**Date: September 08, 2017**

**Annexure A**

**FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY MICROSEC CAPITAL LIMITED**

**TABLE 1**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing Benchmark]-30 <sup>th</sup> calendar day from listing	+/- % change in closing price, [+/- % change in closing Benchmark]-90 <sup>th</sup> calendar day from listing	+/- % change in closing price, [+/- % change
	NIL							

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPOs	Total funds raised (Rs.Cr.)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar day from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar day 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%
NIL														

Note: Microsec Capital Limited has not handled any issue during the past three years.