



## SHREE PUSHKAR CHEMICALS & FERTILISERS LIMITED

Our Company was incorporated as 'Shree Pushkar Petro Products Limited' a public limited company under the Companies Act, 1956 pursuant to a Certificate of Incorporation dated March 29, 1993 bearing registration number 11-71376 of 1993 and certificate of commencement of business on August 3, 1993 issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Company was changed to 'Shree Pushkar Chemicals & Fertilisers Limited' pursuant to fresh certificate of incorporation consequent upon change of name dated March 5, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai. Our corporate identification number is U24100MH1993PLC071376. For further details of our Company, please refer to the chapters titled 'General Information' and 'History and Certain Corporate Matters' beginning on page numbers 41 and 124, respectively.

**Registered and Corporate Office:** 202, A Wing, Building No. 3, Rahul Mittal Industrial Estate, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra

**Tel. No.:** +91 22 4270 2525; **Fax No.:** +91 22 2850 4242;

**Company Secretary and Compliance Officer:** Kishan Bhargav; **Email:** [cosec@shreepushkar.com](mailto:cosec@shreepushkar.com); **Website:** [www.shreepushkar.com](http://www.shreepushkar.com)

### OUR PROMOTERS: PUNIT MAKHARIA AND GAUTAM MAKHARIA

**PUBLIC ISSUE OF 1,07,69,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SHREE PUSHKAR CHEMICALS & FERTILISERS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 65/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 55/- PER EQUITY SHARE) AGGREGATING UPTO ₹ 700 MILLION CONSISTING OF A FRESH ISSUE OF 87,42,611 EQUITY SHARES AGGREGATING UPTO ₹ 568.27 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 20,26,589 EQUITY SHARES BY THE SELLING SHAREHOLDER (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") AGGREGATING UP TO ₹ 131.73 MILLION (THE "OFFER FOR SALE" AND THE "FRESH ISSUE" ARE TOGETHER REFERRED TO AS, THE "ISSUE").**

**THE ISSUE WOULD CONSTITUTE 35.64% OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**ISSUE PRICE: ₹ 65/- PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.  
THE ISSUE PRICE IS 6.5 TIMES OF THE FACE VALUE**

In case of any revision to the Price Band, the Bid/Issue Period will be extended for a minimum period of three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Member and by intimation to Self Certified Syndicate Banks ("SCSBs") and Registered Brokers.

In terms of Rule 19(2)(b)(i) of the SCRR and under the SEBI Regulations, the Issue is being made in accordance with Regulation 26(1) of the SEBI Regulations, through the Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category other than QIB portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange.

### RISKS IN RELATION TO FIRST ISSUE

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. The Issue Price is 6.5 times of the face value. The Issue Price (as determined and justified by our Company and the Selling Shareholder in consultation with the BRLM) as stated in the chapter titled "Basis for the Issue Price" beginning on page number 80 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 of our Company 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 the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the section titled "Risk Factors" carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page number 13.

### COMPANY'S AND 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 the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Selling Shareholder accepts that this Prospectus contains all information about it as the Selling Shareholder in the context of the Offer for Sale and assumes responsibility only for statements in relation to the Selling Shareholder included in this Prospectus.

### LISTING

The Equity Shares offered and issued through the Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received 'in-principle' approvals from NSE and BSE for the listing of the Equity Shares pursuant to the letters dated November 21, 2014 and December 9, 2014, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be NSE.

### BOOK RUNNING LEAD MANAGER

### REGISTRAR TO THE ISSUE

# KEYNOTE



### KEYNOTE CORPORATE SERVICES LIMITED

The Ruby, 9th Floor,  
Senapati Bapat Marg, Dadar (W),  
Mumbai - 400 028, Maharashtra

**Tel:** +91-22-3026 6000

**Fax:** +91-022-3026 6088

**Website:** [www.keynoteindia.net](http://www.keynoteindia.net)

**Email:** [mbd@keynoteindia.net](mailto:mbd@keynoteindia.net)

**Contact Person:** Janardhan Wagle

**SEBI Registration No:** INM 000003606

### BIGSHARE SERVICES PRIVATE LIMITED

E - 2 & 3, Ansa Industrial Estate,  
Saki - Vihar Road, Sakinaka, Andheri (East),  
Mumbai - 400 072, Maharashtra

**Tel:** +91-022-4043 0200

**Fax:** +91-022-2847 5207

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

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

**Contact Person:** Ashok Shetty

**SEBI Registration No:** INR000001385

### BID / ISSUE PROGRAMME

BID / ISSUE OPENED ON	TUESDAY, AUGUST 25, 2015	BID / ISSUE CLOSED ON	THURSDAY, AUGUST 27, 2015
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**SECTION I – GENERAL****DEFINITIONS AND ABBREVIATIONS**

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

**Company Related Terms**

Term	Description
“the Company”, “our Company”, “Issuer”, “Issuer Company”, “we”, “us”, “our”	Shree Pushkar Chemicals & Fertilisers Limited a public limited company incorporated under the Companies Act, 1956, and having its registered office at 202, A-wing, Building no. 3, Rahul Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059
Articles or Articles of Association or AoA or our Articles	The Articles of Association of our Company, as amended from time to time
Board, Board of Directors or our Board	The Board of Directors of our Company, duly constituted from time to time, including any committee thereof
Director(s)	The Director(s) of our Company
IEDF	India Enterprise Development Fund
Memorandum, our Memorandum or Memorandum of Association or MoA	The Memorandum of Association of our Company, as amended from time to time
Our Group Company	Entity as included in the chapter titled ‘Our Group Company’ beginning on page number 149
Promoters	Punit Makharia and Gautam Makharia
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1) (zb) of the SEBI ICDR Regulations
Registered and Corporate Office / Registered Office	The registered and corporate office of our Company, situated at 202, A-wing, Building no. 3, Rahul Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059
RoC / Registrar of Companies, Mumbai	The Registrar of Companies, Mumbai, Maharashtra, located at Everest, 100 Marine Drive, Mumbai – 400 002, Maharashtra.
Statutory Auditor	The statutory auditors of our Company being, M/s. Jajodia & Company, Chartered Accountants
Selling Shareholder	India Enterprise Development Fund, (“ <b>IEDF</b> ”), a fund of IFCI Venture Capital Funds Limited, having its registered office at IFCI Tower, 16 <sup>th</sup> Floor, 61 Nehru Place, New Delhi- 110019.

**Issue Related Terms**

Term	Description
Allotment/Allocation/Allot/Allotted	Unless the context otherwise requires, means the issue, allocation and allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are/ have been Allotted
Allotment Advice/ CAN/ Confirmation of Allocation Note	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Application Supported by Blocked Amount/ASBA	A process of submitting the Bid cum Application Form, whether physical or electronic, used by Biddersto make a Bid authorising a SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB.
ASBA is mandatory for QIBs and Non Institutional Bidders participating	



Term	Description
	in the Issue
ASBA Account	An account maintained with the SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors in the Issue who intend to Bid/apply through the ASBA process
Bankers to the Issue /Escrow Collection Banks	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being ICICI Bank Limited, HDFC Bank Limited and IndusInd Bank Limited
Basis of Allotment/Allocation	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “ <i>Issue Procedure</i> ” beginning on page number 224.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto to the extent permissible under the SEBI ICDR Regulations
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Bid/Issue Closing Date	The date after which the Syndicate, the Designated Branches of the SCSBs and the Registered Brokers will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and one Marathi daily newspaper (Marathi being the regional language at the place where the Registered Office is located), each with wide circulation
Bid/Issue Opening Date	The date on which the Syndicate, the Designated Branches of the SCSBs and Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and one Marathi daily newspaper (Marathi being the regional language at the place where the Registered Office is located), each with wide circulation
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding	The process of making a Bid.
Bid Lot	200 Equity Shares
Book Building Process/Method	Book building process, as provided in Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM/Book Running Lead Manager	The book running lead manager to the Issue being Keynote Corporate Services Limited
Broker Center(s)	Broker centers notified by the Stock Exchanges, where Bidders can submit their Bid cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at



Term	Description
	<a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, or the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling shareholder shall transfer the Equity Shares in the Offer for Sale
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus dated September 26, 2014 issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be issued and Allotted pursuant to the Issue
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible QFI(s)	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Equity Share(s)	Equity Shares of our Company of face value of ₹10 each, fully paid up, unless otherwise specified in the context thereof
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement dated August 04, 2015 entered into by our Company, the Selling Shareholder, the Registrar to the Issue, the BRLM, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First/ Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Issue	Public issue of 1,07,69,200 Equity Shares for cash at a price of ₹ 65/- per Equity Share aggregating upto ₹ 700 Million
Issue Agreement	The agreement entered into on September 25, 2014 between our Company and the BRLM pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	₹ 65/- per equity share.



Term	Description
Issue Proceeds/ Proceeds of the Issue	Proceeds from the Issue that will be available to our Company being upto ₹ 568.27 million
Keynote/BRLM	Keynote Corporate Services Limited
Listing Agreement	The model listing agreement to be entered into with NSE and BSE
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the QIB Portion or 2,69,230 Equity Shares
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (including Category III foreign portfolio investors, but not including NRIs, other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of 16,15,380 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes, a FIIs registered with SEBI, FPIs registered with SEBI and FVCI registered with SEBI
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
Non Syndicate Registered Brokers/Registered Broker	A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers Regulations), 1992, having office in any of the Broker Centers, and eligible to procure Bids in terms of the SEBI circular No. CIR/CFD/14/2012 dated October 4, 2012
OCB(s)/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue
Offer Document	Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus
Offer for Sale	The Offer for Sale of upto ₹ 2,026,589 Equity Shares by the Selling Shareholder at the Issue price
Payment through electronic transfer of funds	Payment through NECS, Direct Credit or NEFT, as applicable
Pay-in-Period/ Pay-in Period	The period commencing on the Bid/ Issue Opening Date and continuing till the Bid/Issue Closing Date
Price Band	Price Band of a minimum price of ₹ 61/- per Equity Share (Floor Price) and the maximum price of ₹ 65/- per Equity Share (Cap Price) and includes revisions, if any thereof.
Pricing Date	The date on which our Company, in consultation with the BRLM finalised the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with section 32 of the Companies Act, 2013 containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
QIB Portion	The portion of the Issue being not more than 50% of the Issue consisting of 53,84,600 Equity Shares which shall be available for allocation to QIBs
Qualified Foreign Investors/ QFIs	A person who has opened a dematerialized account with a qualified depository participant as a qualified foreign investor
Qualified Institutional Buyers/	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the





Term	Description
QIBs	SEBI ICDR Regulations
Red Herring Prospectus or RHP	This Red Herring Prospectus dated August 10, 2015 issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue.
Refund Accounts	The accounts opened with the Refund Banks, from which refunds, if any, of the whole or part of the Bid Amount (excluding refunds to ASBA Bidders) shall be made.
Refund Banks	One or more Escrow Collection Banks with whom Refund Accounts will be opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being, ICICI Bank Limited.
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registrar to the Issue/Share Transfer Agent	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate.
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Restated Financial Statements or restated financial statements	Restated financial statements of assets and liabilities of the Company as at March 31, 2011, 2012, 2013, 2014 and 2015 and profits and losses and cash flows of the Company for each of the years ended March 31, 2011, 2012, 2013, 2014 and 2015 as well as certain other financial information as more fully described in the Auditors' report for such years included in this Prospectus.
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of 37,69,220 Equity Shares, the allotment of which shall not be less than the minimum bid lot and the remaining shall be available for allocation on a proportionate basis to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Specified Locations	The bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available at the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time.
Syndicate Agreement	The agreement dated August 04, 2015 to be entered into amongst the BRLM, and the Selling Shareholder, the Syndicate Member and our Company in relation to the collection of Bids in this Issue (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to the Registered Brokers).
Syndicate/member of the Syndicate	Collectively the BRLM and the Syndicate Member.
Syndicate Member	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being Keynote Capitals Limited.
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.



Term	Description
Underwriters	BRLM and the Syndicate Member
Underwriting Agreement	The agreement dated August 29, 2015 amongst the Underwriters, and the Selling shareholder, and our Company to be entered into on or after the Pricing Date
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

**Industry Related Terms**

Term	Description
BTXN	Benzene, Toluene, Xylene and Naphthalene
CHEMEXCIL	Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council
CPCB	Central Pollution Control Board
DAP	Di Ammonium Phosphate
DCDA	Double Conversion and Double Absorption Technology
DCP	Di-Calcium Phosphate
DFP	Defluorinated rock Phosphates
DG	Diesel Generator
DTA	Domestic Tariff Area
EOU	Export Oriented Unit
ERP	Enterprises Resources Planning
ETP	Effluent Treatment Plant
FCO	Fertilizer Control Order
Gamma Acid	6-Aminonaphtholene-1,3,6 Tri-Sulphonic Acid
GDP	Gross Domestic Product
H-Acid	4-Amino -5-Hydroxy Naptha-Lene-2,7 Di Sulphonic Acid
HCl	Hydrochloric Acid
H <sub>2</sub> SO <sub>4</sub>	Sulphuric Acid
HT	High Tension line
IAT	Intermediate Absorption Tower
IFA	International Fertiliser Industry Association
ISO	International Organisation for Standardization
K-Acid	7-Aminonaphthalene-1,3,6 Tri-Sulphonic Acid
KL	Kilolitre
KVA	Kilovolt-Ampere
KW	Kilowatt
LDO	Light Diesel Oil
MIDC	Maharashtra Industrial Development Corporation
MOC	Material of Construction
MPCB	Maharashtra Pollution Control Board
MRP	Maximum Retail Price
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MT	Metric Tonnes
MTPA	Metric Tonnes Per Annum
NPK	Nitrogen Phosphorous Potassium
PCPIR	Petroleum, Chemicals and Petrochemicals Investment Regions
PVC	Polyvinyl Chloride
R&D	Research and Development
SCSA	Single Conversion Single Absorption
SO <sub>2</sub>	Sulphur Dioxide
SSP	Single Super Phosphate





TCP	Tricalcium phosphate
TPA	Tonnes Per Annum
TPD	Tonnes per Day
UNIDO	United Nations Industry Development Organization
VS	Vinyl Sulphone
WTO	World Trade Organisation

**Conventional / General Terms / Abbreviations**

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF or Alternate Investment Funds	As defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year; the period of twelve months commencing from the 1 <sup>st</sup> day of April every year
BPLR	Bank Prime Lending Rate
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, to the extent not superseded by the Companies Act, 2013 or de-notified, as the case may be.
Companies Act 2013/ Act, 2013	Companies Act, 2013, to the extent notified, and the rules and regulations made thereunder.
Competition Act	The Competition Act, 2002, as amended
CRR	Cash Reserve Ratio
CST	Central Sales Tax Act, 1956, as amended
Customs Act	The Customs Act, 1962, as amended
Depositories	NSDL and CDSL; Depositories as registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director's identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP	Depository Participant as defined under the Depositories Act
DTC	Direct Taxes Code
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortisation and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMI	Equated Monthly Instalment
EPS	Earnings per Share
ESIC	Employee State Insurance Corporation
ETP	Effluent Treatment Plant
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed there under, as amended
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FPI	Foreign Portfolio Investor, as defined under the FPI Regulations and registered



Term	Description
	with the SEBI under applicable laws in India
FII	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI.
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
Financial Year / Fiscal / Fiscal Year / FY	Period of twelve months ended March 31 of that particular year, unless specifically stated otherwise
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investor as defined in and registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
FYP	Five year plans issued by the Planning Commission of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
JNPT	Jawaharlal Nehru Port Trust
Key Managerial Personnel / KMP	The officers vested with executive powers and the officers at the level immediately below the Board of Directors of the Issuer Company and other persons whom the Issuer has declared as a Key Managerial Personnel and as mentioned in the chapter titled ' <i>Our Management</i> ' beginning on page number 132
Ltd.	Limited
MAT	Minimum Alternate Tax
Mn/mn	Million
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended from time to time
MICR	Magnetic Ink Character Recognition
MNC	Multi National Company
MoU	Memorandum of Understanding
N.A./ NA	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NRE	Non Resident External Account
NRO	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PIS	Portfolio Investment Scheme
PBT	Profit Before Tax



Term	Description
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth
Rs./ ₹/INR/Rupees	Indian Rupees, the legal currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, read with rules and regulations thereunder and amendments thereto and as amended from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations 1992	SEBI (Prohibition of Insider Trading) Regulations, 1992.
SEBI Insider Trading Regulations, 2015	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
SEBI Takeover Regulations/ Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Sq. Ft.	Square feet
sq. Mtrs.	Square meters
Sub-account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended
TAN	Tax Deduction Account Number allotted the Income Tax Act, 1961, as amended
TDS	Tax Deducted at Source
TIN	Taxpayers Identification Number
U.S. or US or U. S. A.	The United States of America
US GAAP	Generally Accepted Accounting Principles in United States of America
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
VAT	Value Added Tax
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations
WDV	Written Down Value Method for calculation of depreciation



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements for the Financial years ended March 31, 2015, 2014, 2013, 2012 and 2011 prepared in accordance with Indian GAAP, the Companies Act, 1956 and Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Prospectus, and set out in the section titled '*Financial Information*' beginning on page number 152. Our Financial Year commences on April 1 and ends on March 31 of the following year. Accordingly, unless the context otherwise implies or requires, all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In this Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page numbers 13, 103 and 172, respectively and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act, 1956 and Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

### Currency and units of presentation

In this Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

### Industry and Market Data

Unless stated otherwise, industry data used throughout this 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 this Prospectus is reliable, it has not been independently verified.

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



## FORWARD LOOKING STATEMENTS

All statements contained in this 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 this Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in this 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:

- Factors affecting Dye and Dye Intermediates Industry, Chemical Industry and Fertilizer Industry;
- Increasing competition in the Industry;
- Cyclical fluctuations in the operating results;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India;
- Increase in the transportation costs that could not be transferred to the customers

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the section/chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operation*' beginning on page numbers 13, 103 and 172, respectively.

Forward looking statements reflects views as of the date of this 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. None of our Company, the Selling Shareholder, any Underwriter, the Book Running Lead Manager, or any of its affiliates have any obligation to update or otherwise revise any statement 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, the Selling Shareholder (in respect of its own information and information relating to the Equity Shares being Offered for Sale by the Selling Shareholder included in this Prospectus) and the Book Running 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 Exchanges.



## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties summarized 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 pages numbers 103 and 172 respectively as well as the other financial and statistical information contained in this 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 152. 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 this 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.*

*This 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 this 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**

- 1. Our Company and/ or our Promoters/ Directors are involved in certain legal proceedings. Any adverse decision in such proceedings may render us / them liable to liabilities / penalties and may adversely affect our / their business and results of operations.**

#### **a. Criminal proceedings**

Maharashtra Pollution Control Board ("MPCB") had filed a criminal complaint no. 31/2003 dated May 6, 2003 ("Complaint") against our Company wherein our Promoters / Directors Gautam Makharia and Punit Makharia have been named. The said Complaint was in respect of non compliance of certain conditions stated in the consent to operate dated November 23, 2000 granted to our Company by MPCB. Gautam Makharia and Punit Makharia have deposited a total bail amount of ₹ 6,000/- alongwith an amount of ₹ 600/- towards cancellation of their warrants. For details please refer to chapter titled 'Outstanding Litigation and Material Development' beginning on page number 184.

#### **b. Civil proceedings**

Our Company and some of our Directors are involved in certain legal proceedings and claims in relation to certain civil, tax and excise matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For details, please refer to the chapter titled 'Outstanding Litigation and Material Development' beginning on page number 184.





A classification of these legal and other proceedings are given in the following table:

						(₹ In Million)
Particulars		Criminal proceedings	Civil proceedings	Tax cases	Excise cases	Total amount involved
Against our Company		1	Nil	4	15	34.60
By our Company		Nil	1	Nil	Nil	2.66 2
Against our Promoters		1	1	Nil	Nil	Not quantifiable

We cannot assure you that any of these matters will be settled in our favour or in favour of our Promoters or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations and reputation.

Further, our Nominee Director, Poonam Garg is also a nominee director of Titan Energy Systems Limited which has defaulted in the payments made to State Bank of India for an amount of ₹ 5,627.35 lacs. As a result her name is appearing in the willful defaulters' list of CIBIL for the period ending December 31, 2014.

The inclusion of our Directors' name within the willful defaulters' list may affect our Company's ability to obtain future credit from banks and other financial institutions and may also impact negatively upon our Company's credibility within the marketplace. For more details, please refer to the chapters titled "Outstanding Litigation and Material Developments" and "Other Regulatory and Statutory Disclosures" beginning on page numbers 184 and 204 respectively.

**2. Our Company has entered into Equity Subscription Agreement ("Subscription Agreement") with IFCI Venture Capital Funds Limited (the "Investor") and is also a party to the Agreement for Buy-back of Shares ("Buy-back Agreement") between Punit Makharia, Gautam Makharia (the "Promoters") and the Investor both dated April 27, 2009.**

Our Company has entered into Subscription Agreement dated April 27, 2009. Pursuant to the Subscription Agreement the Investor had agreed to finance a part of the cost of the project of our Company of setting up plants of sulphuric acid and its derivatives and also a captive power plant at MIDC Lote Parshuram, Khed, District Ratnagiri, Maharashtra (the "Project") by subscribing to the equity share capital of our Company to the extent of ₹ 150 million. The Investor had subscribed to 5,647,600 equity shares of our Company at a price of ₹ 26.56 per equity share (inclusive of premium of ₹ 16.56 per equity share).

In terms of the Subscription Agreement, the Investor has, *inter alia*, right to appoint a nominee director on the Board of our Company. The Subscription Agreement includes restrictive covenants which mandate certain restrictions in terms of which our Company shall not, *inter alia*, without the prior approval of the Investor: (i) undertake any new project, diversification, modernization or substantial expansion; (ii) acquire any assets on lease or hire-purchase; (iii) issue any securities, convertibles, raise any loans, accept any deposits from public, issue any shares, change its capital structure or create a charge on its assets or give any guarantees; (iv) undertake or permit any and all mergers, restructuring, arrangements, amalgamations, consolidations and divestments of our Company, acquisition of other businesses / companies, creation of a subsidiary or JV, sale or disposal of any or material part of Company's assets or closure of existing business or commencement of new business; (v) make any investments by way of deposits, loans, share capital, etc. in any concern except in the normal course of business; (vi) carry out an IPO; (vii) approve or amend the annual business plan; (viii) voluntarily commence winding up proceedings for insolvency or bankruptcy or initiation of any legal suits by our Company against any parties; etc. Additionally, the Subscription Agreement shall remain in force till such time, the shares of our Company are listed and the Investor is offered an exit route.

Our Company is also one of the parties to the Buy-back Agreement dated April 27, 2009 which has been entered into to regulate the terms and conditions of the relationship regarding investment by the Investor in our Company and the rights and obligations of the parties. In terms of the Buy-back Agreement, the Investor has standard pre-emptive rights such as right to sell the equity shares of the Issuer Company subscribed by the Investor to the Promoters of our Company, Drag along right and Tag along right.



We have requisite approvals from the Investor for the said IPO. Further, the Investor is also offering part of its holding in the present IPO which comprises of Fresh Issue and Offer for Sale of Equity Shares. For further details regarding the Subscription Agreement and Agreement for Buy-back, please refer to the paragraph titled 'Summary of Material Agreements' in the chapter titled 'History and Certain Corporate Matters' beginning on page number 124.

**3. Certain Equity Shares of our Company held by our Promoter, Punit Makharia are pledged.**

Presently 3,575,896 Equity Shares held by our Promoter, Punit Makharia constituting 28.91% of his total shareholding in our Company has been pledged with IEDF a fund of IFCI (VCF) pursuant to the pledge agreement dated January 24, 2013, July 30, 2010 and April 27, 2009. The details of the total Equity Shares pledged till date are as under:

<b>Date of the pledge</b>	<b>No of Shares pledged</b>
April 27, 2009	5,082,832
July 30, 2010	94,126
May 06, 2011	470,632
January 24, 2013	2,604,000
<b>Total</b>	<b>8,251,590</b>

The details of the total Equity Shares wherein the pledge have been released till date are as under :

<b>Date of release of the pledge</b>	<b>No of Shares released</b>
February 18, 2013	1,146,000
August 13, 2014	925,694
August 20, 2014	2,604,000
<b>Total</b>	<b>4,675,694</b>

The Equity Shares pledged also include 300,000 Equity Shares which are held over and above 1.35 times of the Equity Shares as stipulated in the Pledge Agreement. If IEDF enforces the pledge of the aforesaid Equity Shares, Punit Makharia may lose some of his shareholding to that extent in our Company. Till date no pledge has been invoked.

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

Our contingent liabilities as on March 31, 2015 is as follows:

(₹ in Million)

<b>Contingent Liabilities</b>	<b>As at March 31, 2015</b>
Disputed Tax liability	8.96
Corporate guarantee by Company against loans taken by relative of promoter	17.10
Bank guarantee	
• Maharashtra State Electricity Distribution Co. Ltd.	3.72
• Reliance Industries Ltd.	8.20
• Rajasthan State Mines and Minerals Ltd.	22.00
• The President of India acting through The Dy-Commissioner of Custom JMPT/Navi Mumbai	19.18
• Maharashtra Pollution Control Board	0.38
<b>Total</b>	<b>3.48</b>
<b>Total</b>	<b>79.54</b>

We cannot assure you that any or all of these contingent liabilities will not become direct liabilities. In the event any or all of these contingent liabilities become direct liabilities, it may have an adverse effect on our financial condition and results of operations. For details, please refer to 'Annexure VII' under the chapter titled 'Financial Information' appearing on page number 169.



**5. Our Company has experienced negative cash flows. Any negative cash flow in future could affect our results of operations.**

(₹ in Million)

Particulars	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Cash generated from operating activities	496.82	259.02	147.81	(96.55)	87.64
Net Cash from /(used in) investing activities	(79.20)	(37.45)	(93.03)	(66.99)	(155.97)
Net Cash from /(used in) financing activities	(433.24)	(210.95)	(60.42)	175.49	58.54

Any negative cash flows in the future could adversely affect our Company's results of operation and financial condition. For details, please refer to 'Annexure III' under the chapter titled 'Financial Information' appearing on page number 157.

**6. Our Company's audited financial information for FY 2011-12 and FY 2012-13 had certain qualifications in the Auditor's report.**

Out of the last five financial years, the Auditors of our Company had qualified their audit reports for FY 2011-12 and FY 2012-13 by stating that our Company needs to strengthen its internal control systems in order to commensurate with the size of our Company and the nature of its business and also strengthen its internal control on documentation in regard to purchases of inventory, fixed assets and sale of goods and service. There have been no such qualification in this regard in the auditor's report for FY 2010-11, FY 2013-14 and FY 2014-15. Further the qualifications are not affecting the financials and are for improvement of systems only. For further details, please refer to the point no 9 under the chapter titled 'Financial Information' on page number 153.

**7. There have been certain instances of delay in repayment of installments of term loans to the Bank in past.**

Out of the last five financial years in F.Y. 2011-12 and F.Y. 2012-13, there have been certain instances of delay in repayment of installments of term loans availed from State Bank of India from whom our Company has availed term loans due to temporary insufficiency of funds during certain periods. The average period of delay in repayment of installments of term loans to State Bank of India in these years is round 21 days and the Bank has charged penal interest for a delayed period to the extent of ₹ 0.02 mln and ₹ 0.09 mln during these financial years. No assurance can be given that such delays will not occur in the future.

Though delay in repayment of loans does not constitute a default under the loan agreements our Company has entered into with our lenders, however delay in repaying our loan in timely manner may affect our ability to raise further debt. The instances which will constitute default under the loan agreements which we have entered into are as follows:-

- Invalidity or unenforceability of any security;
- The borrower/ promoter/ guarantor sells/ pledges its existing shareholding of our Company without prior written permission of the bank.
- Any step taken for dissolution or winding up of our Company;
- Any change in material ownership structure of our Company;
- At any time pledge/ encumbrance of shareholding of pledgers/ guarantors in our Company exceeds 60% of their shareholding.

Consequently, our inability to raise further debt may adversely affect our business, financial condition and results of operations. While none of the loans has been recalled by any lender so far, there can be no assurance that they may not be recalled in future. For details of restrictive covenants, please refer to page number 182 and for further details, please refer to the chapter titled "Financial Indebtedness" beginning on page number 179.



- 8. Our Company has delayed in complying with the filing requirements regarding the appointment of cost auditor under the Companies Act, 1956 and Companies Act, 2013 with the RoC for the years 2012-2013 and 2013-2014. Such delay/non compliance may subject our Company to statutory penalties.**

As per the general circular no. 12/2012 dated June 4, 2012 issued by the Ministry of Corporate Affairs ("MCA") and also with reference to the MCA circular no. 52/26/CAB-2010 dated May 2, 2011, our Company is required to conduct a cost audit for our business. The cost audit for the years 2012-2013 and 2013-2014 is under process. Such delay in conducting the cost audit and making the relevant filings with the RoC may subject our Company to statutory penalties under the Companies Act, 1956 and Companies Act, 2013.

- 9. As on March 31, 2015 we have provided a corporate guarantee for ₹17.10million guaranteeing the due repayment of a housing loan availed by Bhanu Makharia, mother of our Promoter Director, Punit Makharia, from Citi Bank N.A. As a result of this, we may be in violation of certain provisions of the Companies Act, 1956 including Section 295. Further, any enforcement of this corporate guarantee would have an adverse impact on the cash flows.**

As on March 31, 2015 we have provided a corporate guarantee for ₹ 17.10 million towards housing loan availed by Bhanu Makharia, mother of Punit Makharia, from Citibank N.A which has been secured by way of a corporate guarantee provided by our Company, other than the primary security. Providing such corporate guarantee may be in violation of certain provisions of the Companies Act, 1956 including section 295 of the Companies Act, 1956. We cannot assure you that the Tribunal (erstwhile Company Law Board) or the Appellate Tribunal will not impose any penalty or take any action against us regarding such non-compliance. Further, in the event Bhanu Makharia does not comply with her obligations, Citi Bank N.A may enforce this corporate guarantee. Such enforcement action may adversely affect our cash flows.

- 10. Some of our historical, legal and secretarial records are not traceable. Non-availability of these records exposes us to the risk of penalties that may be imposed by the competent regulatory authority in future.**

We do not have access to records and data pertaining to certain historical, legal and secretarial records and we have been not been able to locate many of our important corporate records. We have been unable to locate the copies of certain of our corporate records including but not limited to Board, AGM, EGM Minutes, forms filed by us with the RoC and share transfer forms. While our Company believes that these records were duly filed with the RoC on a timely basis, we have been unable to obtain copies of these documents, including from the RoC. Our Company cannot assure you that these form filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in this respect. If RoC initiates proceedings for any actual or perceived irregularity in our compliance with reporting requirements in any future or historic periods, there may be an adverse effect on our business, results of operation and financial condition.

- 11. Our business is dependent on our key customers and the loss of any significant customer could adversely affect our financial results.**

Our business is dependent on our key customers and the loss of any significant customer would have a material adverse effect on our financial results For the financial year ended March 31, 2013 2014 and 2015 our top five customers accounted for 37.53% , 50.88% and 45.28% respectively of our revenue from operations. We cannot assure you that we can maintain the historical levels of business from these customers or that we will be able to replace these customers in case we lose any of them. Further, the business with these customers is based on regular requirements and orders, rather than yearly contracts.

- 12. Our operations are subject to environmental, workers' health and safety and employee laws and regulations. We may incur material costs to comply with, or suffer material liabilities or other adverse consequences as a result of, environmental laws and regulations which may have a material adverse effect on our business, financial condition and results of operations.**

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the "Environment Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended (the "Air Act"), the Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act") and other regulations promulgated by the MoEF and various statutory and regulatory authorities and agencies in India. The



impact of these laws and regulations, or any changes to such laws or regulations, may be significant and may delay the commencement of, or cause interruptions to, our operations.

Our manufacturing units are being inspected on regular basis by the Maharashtra Pollution Control Board and we have been complying with any shortcomings which may have been noticed by the regulating authorities for deficiencies if any. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our financial condition and results of operations. Though, we have been complying with / rectifying such lapses on regular basis we may incur, and expect to continue to incur, significant capital and operating costs to comply with these requirements, including various provisions made for environmental related expenditure.

The details of all environmental clearances/licenses which we are in receipt of/applied for with respect to all our manufacturing units are mentioned below:

Particulars of the manufacturing unit	Particulars of Licenses/Applications made	Current Status
Plot number B-102/103, MIDC Lote Parshuram, Taluka – Khed, District – Ratnagiri, Maharashtra	Application dated October 21, 2014 made by our Company to the Sub Regional Officer, MPCB regarding renewal of the consent to operate for manufacturing of various products at the premises	Renewal application is under process
Plot number D-25, MIDC Road, Lote Parshuram, Taluka- Khed, District- Ratnagiri, Maharashtra	Consent to operate bearing number BO/JD-PAMS/RO-KP/EIC No. KP-11294-12/R/CC-01632 dated February 26, 2013 issued by Maharashtra Pollution Control Board	Valid until August 31, 2015
Plot number D-18, Lote Parshuram, MIDC, Taluka Khed, district Ratnagiri, Maharashtra	Application dated February 5, 2015 made by our Company to Member Secretary, MPCB regarding renewal of the consent to establish for manufacturing of fertilizer - Sulphate of Potash at the premises	Renewal application is under process

Further, there have been no instances of environmental clearances rejected, denied or etc. during last 5 Financial Years. For details regarding licenses and approvals granted to our Company, please refer to the chapter titled “Government and Other Approvals” beginning on page number 195.

**13. Our Company requires several licenses/ approvals/ permissions for carrying on its business. If our Company is unable to obtain the required approvals and licenses in a timely manner, our business and operations may be adversely affected.**

Our Company requires certain approvals, licenses, registrations and permissions for operating our business. Some of which our Company has already obtained and/or has either made or is in the process of making the application. If our Company fails to obtain these approvals/registrations/ licenses/permissions, or renewals thereof, in a timely manner, or at all, our operations would be adversely affected, having a material adverse effect on our Company’s business, results of operations and financial condition. Such grant may also be subject to restrictions and/or permissions which may not be acceptable to our Company, or which may prejudicially affect our operations, and would have a material adverse effect on our Company’s business, results of operations and financial condition.

As on the date of the Red Herring Prospectus, following applications made by our Company to the concerned authorities are pending for their approval:

Sr. No.	Nature of license applied for	Date of application	Authority before whom it is pending
1.	Application made by our Company requesting for renewal of an export house certificate	September 10, 2014	Additional Director General of Foreign Trade, New Marine Lines,



Sr. No.	Nature of license applied for	Date of application	Authority before whom it is pending	
			Mumbai	
2.	Application for renewal of consent to establish for manufacturing of fertilizer - Sulphate of Potash at our manufacturing unit located at D-18, Lote Parshuram	February 5, 2015	Member MPCB	Secretary,
3.	Application for renewal of consent to operate for our manufacturing unit located at B-102/103, Lote Parshuram	October 21, 2014	Sub-Regional MPCB	Officer.

There have been no instances of any approvals, licenses, permissions etc. rejected or denied by any appropriate authority during last 5 Financial Years.

For details regarding the licenses/ approvals/ permission, which have been granted to our Company and is required for operating our business, please refer to the Chapter titled “Government and Other Approvals” beginning on page number 195.

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

Our Chairman and Managing Director, Punit Makharia and our joint Managing Director Gautam Makharia have over the years built relations with suppliers, customers and other persons who are connected with us. Further, most of the Key Managerial Personnel of our Company have been known to us for many years. Our success is substantially dependent on the expertise and services of our Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**15. Our agreements with certain banks and non-banking financial companies for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.**

We have entered into agreements for short term and long term borrowings with State Bank of India, State Bank of Travancore, IDBI Bank Limited, ICICI Bank Limited, HDFC Bank Limited and from Non Banking Financial companies such as Reliance Commercial Finance, Reliance Consumer Finance, SKODA Finance and Kotak Mahindra Prime Limited.

These agreements include restrictive covenants which imposes certain restrictions in terms of our business operations such as to obtain either the prior written consent of such financial institutions or require us to give prior written intimation to such lenders, prior to, amongst other circumstances, creating further encumbrances on our assets, disposing of assets outside the ordinary course of business, paying dividends to our shareholders, undertaking guarantee obligations, alteration of our capital structure, raising of additional equity or debt capital, incurrence of indebtedness, undertaking any merger, amalgamation, restructuring or changes in management. Our ability to execute business plans, including our ability to obtain additional financing on terms and conditions acceptable to us, could be negatively impacted as a result of these restrictions and limitations. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. Although we have received consents from our lenders wherever applicable for the Issue, we cannot assure you that we will be able to receive such consents in future. For further details, please refer to the chapter titled ‘Financial Indebtedness’ beginning on page number 179.





- 16. The growth of our business may require us to obtain substantial financing, which we may not be able to obtain on reasonable terms or at all. We may need to raise additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure on acceptable terms or at all. We may also require further equity issuances, which may lead to dilution of other shareholders and may affect the market price of our Equity Shares.**

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the Proceeds of the Issue and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional debt or equity in the capital markets. We may need to raise additional capital from time to time, depending on business conditions. The factors that would require us to raise additional capital could be business growth beyond what our current balance sheet can sustain; additional capital requirements imposed due to changes in the regulatory regime or new guidelines; or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing shareholding, and such issuance may not be done at terms and conditions that are favourable to the existing shareholders of our Company.

If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financing could cause our debt to equity ratio to increase or require us to create further charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we delay or are unable to implement our expansion strategy.

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

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

- 18. A few of the raw materials used by us at our factories are hazardous in nature. In the event of any accidents involving any such hazardous materials and substances, our Company may be held liable for subsequent damages and litigations.**

Improper or negligent handling while manufacturing and/or storing hazardous material and/or substances at our units may cause personal injury or loss of life and may further lead to severe damage or destruction to property or equipment and environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. Any mishandling of hazardous substances by us could affect our business adversely and may impose liabilities on our Company. Liabilities incurred as a result of these events have the potential to adversely impact our financial position.

- 19. Fluctuations in the availability and quality of raw materials could cause delay and increase costs.**

Our main raw materials are namely Sulphur, Beta Naphthol and Napthalene. As on date we do not have any long term tie-up or agreements for supply of these raw materials. Any decrease in the availability of these raw materials for whatever reason, including climatic change, could adversely affect our sales and profitability. Further, any price volatility of these raw materials and our inability to adjust to the same could adversely affect our results of operations and profitability.



**20. *We are a labour intensive industry and hence may face labour disruptions and other planned and unplanned outages that would interfere with our operations.***

Our Company's activities are labour intensive. Strikes and other labour action may have an adverse impact on our operations, though we have not experienced any such labour disruption in the past. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition.

**21. *The loss resulting from shutdown of operations at any of our units could have an adverse effect on our Company.***

Our units are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents. Our units use complex equipment and machinery, and the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements which may require considerable time and expense. Although our Company have not had such incident in the past and while we have insurance cover for our two facilities the same does not include loss of profit due to accidental shut down and hence the same may not be adequate to cover the loss in business. Though we take precautions to minimise the risk of any significant operational problems at our units they could have adverse effect on our financial performance.

**22. *Our business is dependent on our manufacturing facilities which are located in Lote Parshuram, Maharashtra. Any loss or shutdown of operations at any of our manufacturing facilities in Maharashtra may have an adverse effect on our business and results of operations.***

All our manufacturing facilities are based in Lote Parshuram, Maharashtra. As a result, if there is any localised social unrest, natural disaster or breakdown of services and utilities in that area, it may affect our business adversely. We have not experienced any of these operating risks in the past. Although we have contingency plans to meet most of our operating risks we cannot assure you about the adequacy of such plans will be adequate to meet all of our operating risks.

**23. *Over the years we have established our sales and distribution network in domestic and international markets. Our company may not be able to maintain or further develop its distribution network and under such circumstances the same can adversely affect our revenues.***

We market, sell and distribute our wide range of products to our diverse customers based in India and abroad. Over the years we have established our sales network both in domestic and international markets. We work on two-way marketing strategy, one being direct approach to our customers and the other through selling agents/ dealers. As on date, our marketing strength comprises of 11 employees and 125 dealers.

We have also entered into the marketing arrangement with DCM Shriram Limited, Delhi, for Single Super Phosphate (SSP) within the state of Maharashtra and Karnataka. It distributes our product along with its own products in the regions of Maharashtra and Karnataka. Our product is sold under the brand name "SHRIRAM SUPER".

In addition, we have also entered into marketing arrangement with Shivam Chemicals Private Limited, Mumbai, (SCPL) for marketing of Di Calcium Phosphate (DCP) in the state of Karnataka.

Our products are marketed and sold in the states of Maharashtra, Gujarat and Karnataka in India. We are also a recognised Export House by Government of India. Our products are exported to one of the world's leading dye manufacturers' viz., Huntsman Corporation, headquartered in USA as also to Archroma Management LLC, a global color and speciality chemical company headquartered in Switzerland. Besides these, we also export to countries namely, Brazil, Thailand, Pakistan and Mexico.

In case we are not able to maintain our existing distribution network or to expand it further, the same can adversely affect our growth and revenues.



**24. *We do not have long-term agreements with some of our customers which may adversely affect our results of operations.***

We have been dealing with some of our customers for several years. However, we do not have long term agreements with those customers. As a result, our customers can terminate their relationships with us due to a change in preference or any other reason upon relatively short notice, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products, customer's inventory management, amongst others. Although, we have a strong emphasis on quality, timely delivery of our products and personal interaction with the customers, any change in the buying pattern of customers can adversely affect the business of our Company. While we have been able to maintain long-term relations with our customers, we cannot assure that we will be able to retain them on similar terms.

**25. *If we are unable to accurately forecast and manage inventory levels we may be exposed to risk of unexpected shortfall and / or surplus of products.***

We monitor our inventory levels based on our own projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability / surplus of products. 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. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition. The inventory turnover ratio for the previous five financial years are as follows:

Financial Year	Turnover ratio (times)
2014-15	6.05
2013-14	3.54
2012-13	2.44
2011-12	2.33
2010-11	3.58

**26. *The premises used by us as Registered and Corporate office is not owned. Any adverse impact on the title / ownership rights of the owner or breach of the terms / non renewal of the license agreement may impede our effective operations.***

Our Registered and Corporate Office situated at 202, A- wing, Building no. 3, Rahul Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059, is not owned by us and is taken on a license basis from Bhanu Makharia, mother of Punit Makharia for a period of 60 months commencing from April 1, 2012. Any adverse impact on the title / ownership rights of the owner, from whose premises we operate our registered office, or breach of the terms / non renewal of the license agreement may cause disruption in our corporate affairs and business and impede our effective operations.

**27. *Our Company utilizes various properties on a leasehold / license basis and any termination of these leases/licenses and/or non-renewal could adversely affect our Company's operations..***

Our manufacturing facilities located at Lote Parshuram, Ratnagiri district, Maharashtra has been leased by us from MIDC. Our Registered and Corporate Office located at Andheri, Mumbai and our sales and marketing offices located at Pune and Vapi are held by us on a leave license basis.

Any change or non renewals/ termination of lease agreements may entail relocation of our Company's business operations. For details on the properties, please refer to the paragraph titled "Property" in the chapter titled "Our Business" beginning on page number 115. There can be no assurance that the lease agreements would be renewed upon their expiry or on terms and conditions favourable to our Company. Any failure to renew the said lease agreements could force our Company to relocate to other premises



which may not be available or which may be available at a substantially higher cost outlay subjecting it to relocation costs and other incidental expenses. Additionally, in an event that our Company has to relocate, our Company could see a substantial disruption of its operations and various other inconveniences.

**28. *Any inability to manage our growth could disrupt our business and reduce our profitability.***

We have experienced significant growth in recent years. Our revenues, as restated, grew at an annual growth rate of 26.86%, 19.38%, 16.77% and 15.42% during Fiscal 2015, 2014, 2013 and 2012, respectively on a year-on-year basis. We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- our ability to acquire and retain clients for our products;
- services, products or pricing policies introduced by our competitors;
- capital expenditure and other costs relating to our operations;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- recruiting, training and retaining sufficient skilled technical and management personnel;
- adhering to our high quality and process execution standards;
- maintaining high levels of customer satisfaction;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems;
- the introduction of alternative technologies.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

**29. *We may be subject to fine or compounding pursuant to delay in appointment of a whole-time Company secretary.***

Pursuant to an increase in our paid-up capital in November 1996, in terms of the Companies Act, 1956 we were required to have a whole-time company secretary. However, we could appoint a whole-time company secretary in September 2012 resulting in delay in the appointment of the whole-time secretary during the period November 1996 – September 2012. However, Vaishali Paranj was appointed as Company Secretary on September 24, 2012 and upon her recission, Kishan Bhargava on January 23, 2014 was duly appointed as the whole-time Company Secretary and Compliance Officer. We cannot assure you that the Tribunal (erstwhile Company Law Board) or the Appellate Tribunal will not impose any penalty or take any action against us which may impact our reputation, results of operations and cash flows. Such non compliance in the future may render us liable to statutory penalties.

**30. *We are subject to risks arising from foreign exchange rate movements.***


Our exchange rate risk primarily arises from our foreign currency revenues, receivables, payables etc. We have certain revenues and expenditures in foreign currencies especially US\$. The foreign exchange fluctuation affects both the revenues and expenditures in absolute terms when converted into Indian rupees. To this extent, the revenues and expenditures will be higher or lower depending on the depreciation or appreciation of Indian Rupee in foreign currency terms. Foreign Exchange loss, to Profit and Loss Account for the Fiscal 2012, 2013, 2014 and 2015 were ₹23.44 million, ₹5.31 million, ₹5.67 million and ₹ 0.97 million respectively, which represented 0.87%, 0.29%, 0.26% and 0.04% of our total revenues, respectively. The exchange rate between the Indian Rupee and the United States Dollar has been volatile in recent years and may fluctuate in the future. Therefore, changes in the exchange rate between the Indian Rupee and the US\$ may affect our operating results.



**31. Our Company has in the past entered into related party transactions with our Promoters and Promoter Group and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.**

Our Company has entered into related party transactions with our Promoters and Promoter Group in the past. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to 'Annexure XI' under the section titled 'Financial Information' on page number 171.

**32. We do not currently have any registered trademarks. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.**

We have not made any application for registration of the trademark “” to the Registrar of Trademarks, Trademarks Registry, Mumbai though the registration for the said trademark in our name is important to retain our brand equity. We do not currently have any registered trademarks and we do not enjoy any statutory protection under the Trade Marks Act, 1999 for the aforesaid trademark. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability. Our trademark application may not be allowed or competitors may challenge the validity or scope of our intellectual property. In addition, the precautions we take to protect our intellectual property rights, may be inadequate and/or it is possible that third parties may copy or otherwise obtain and use our intellectual property without authorisation or otherwise infringe on our rights for which we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition.

Further, if our unregistered trademark is registered by a third party, we may not be able to make use of such trademark in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. Until such time that we receive registered trademark, we can only seek relief against “passing off”. Accordingly, we may be required to invest significant resources in developing a new brand.

**33. Our Company has not paid any dividends in the past in order to conserve the resources. However, the ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

Our Company has not paid annual dividends in the past in order to plough back the surplus. The management would put in place a distribution policy commensurate with future growth plans and available surplus.

**34. Our insurance cover may not adequately protect us against all material hazards.**

Our Company has various insurance policies covering stocks, building, furniture, plant and machinery, etc. We believe that we have insured ourselves adequately against the majority of the risks associated with our business. Our significant insurance policies provide cover for risks relating to a) fire policies for our units, buildings and offices, raw materials, work-in-progress and finished goods; b) Marine policy for transit of raw materials and finished products in India and Marine Export policy; c) Workmen compensation policy under the Workmen Compensation Act. d) Goods carriage Package policy for commercial vehicles carrying finished goods e) Burglary policy for our manufacturing units with respect to stocks of raw material, stock in process, semi finished goods and packing materials. While we believe that the policies that we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.



**35. Any changes in regulations or applicable government incentives would materially adversely affect our Company's operations and growth prospects**

Our Company is enjoying benefit of subsidies in relation to the sale of certain fertilisers and as such is subjected to various regulations in India. Our Company's business and prospects could be adversely affected by changes in any of these regulations and policies, or if any or all of the incentives currently available cease.

**36. Our operations are subject to high working capital requirements. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations.**

Our business requires significant amount of working capital. In many cases, significant amount of our working capital is required for purchasing and maintaining of stock of goods. Though, presently we have sanctioned working capital limits from the existing bankers, we may need to incur additional indebtedness in the future to satisfy our working capital needs. Our inability to obtain and / or maintain working capital or pay our debts, could adversely affect our financial condition and results of operations.

**Risk Relating to the Objects of the Issue**

**37. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at the discretion of our management and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our project expenditure and may have a bearing on our expected revenues and earnings.**

Our funding requirements and the deployment of the Proceeds of the Issue are based on quotations from machinery suppliers and civil contractors and our management's estimates. Our Company may have to revise such estimates from time to time and consequently our funding requirements may also change. Our estimates for the project may exceed the value that would have been determined by third party appraisals and may require us to reschedule our project expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our management and is not subject to monitoring by any external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

**38. The implementation of the proposed Objects of the Issue is in a preliminary stage.**

Our Company has acquired an existing factory comprising of a plot of land admeasuring 12,000 sq mtrs along with constructed factory buildings with the built up area is 3060.72 sq mtrs. The sale deed for purchase of land has been executed and the plot has already been transferred in our name in the records of MIDC. Our Company has also placed orders for few of the key equipments required for the dye plant required by us. We have also engaged civil contractors and the repairs/renovation to the existing civil structures have also been started. Any delay in placing the orders for other machinery / or supply of plant and machinery or commencing of civil work may result in time and cost overruns, and may affect our profitability.

We have received quotations from various suppliers and have placed orders for a few of the key equipments of plant and machinery as on the date of this RHP. Since the funding for the plant and machinery is mainly from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders for the balance machinery. The purchase of plant and machinery would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. Our Company is further subject to risks on account of inflation in the price of plant and machinery. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these machineries, which in turn may delay the implementation of our project. For further details, please refer to the chapter titled 'Objects of the Issue' beginning on page number 65 of this Prospectus.





**39. The statutory / regulatory approvals for the proposed project / expansion plans are yet to be applied and any delay or non-receipt of such approvals may delay the proposed project / expansion plans.**

As on date of this Prospectus, we have applied for the certain statutory/regulatory approval including the environmental clearance in relation to the Objects of the Issue. We cannot assure that we would be able to apply for these licenses / approvals / permissions in a timely manner, or that we would be granted such licenses / approvals / permissions in a timely manner or at all. Such grant may also be subject to restrictions and / or permissions which may prejudicially affect our operations, and would have a material adverse effect on our business, results of operations and financial condition.

The details of application made for the renewal of statutory/regulatory approvals required for the stated objects of the issue are as under:-

Sr. No.	Nature of approval applied	Authority to whom it is applied for	Date of application	Current status
1.	Transfer of land plot in MIDC records	MIDC	Order dated February 13, 2015	MIDC has passed an order for transferring the land to the our Company's name
2.	Building plan approval	-	-	Not applied for
3.	Water connection to MIDC	-	-	Not applied for
4.	Power connection to MIDC	MSEDCL, Ratnagiri	March 04, 2015	Still in application stage
5.	EC Clearance Grant of Terms of Reference for proposed Reactive Dyes Manufacturing Facilities to be located at Plot No. B-97, MIDC Lote Parshuram, Khed, District Ratnagiri – 415 722, Maharashtra	Member Secretary, State Level Expert Appraisal Committee – I, Environment Department, Government of Maharashtra	April 7, 2014, April 08, 2015 and July 27, 2015	Still in application stage
6.	MPCB clearance	-	-	Consent to establish received vide Lt. Dt. June 18, 2015
7.	IEM registration of new products and capacity	Secretariat for Industrial Assistance, Ministry of Commerce & Industry	January 27, 2015	Valid as on date

For further details pertaining to the licenses / approvals / permissions required with respect to the objects, please refer to the chapters titled “Objects of the Issue” and ‘Government and other Approvals’ beginning on page numbers 65 and 195 respectively.

**40. Our Company have experienced time and cost overrun in relation to some of the projects executed by them in the past. Further, our proposed expansion plans are financially dependent on the Issue proceeds and any delay in raising of the same may result in escalation of project cost thereby impacting the operations and financials of our Company.**

Our Company have experienced time and cost overrun in relation to some of the projects executed by them, as mentioned below:

Sr. no.	Plant	Time overrun (no. of mths)	Cost overrun (₹ in mln)
<b>Acid Complex</b>			
1	Sulphuric Acid & Oleum 23%	6	54.40
2	Oleum 65% , CSA & Power plant	12	
<b>Reasons for delay :</b>			
The delays in setting up the plant in the Acid complex was due to heavy monsoon in Ratnagiri			



Sr. no.	Plant	Time overrun (no. of mths)	Cost overrun (₹ in mln)
	during which delayed the civil work of the project. Further there were delays in obtaining MPCB Clearance by about 4 months as also the disbursement of term loan for the project by SBI was delayed by about 4 months. Also on account of global meltdown there was a general delay of about 3 months.		
<b>Fertiliser Division</b>			
3	Soil Conditioner	3	30.30
4	Single Super Phosphate (SSP)	8	
<b>Reasons for delay</b>			
The delay in setting up the plants in the fertilizer division was due to delays in acquiring the plot of land from MIDC and also due to the fact that there had been a change in the expansion plan of the company. Originally the company had proposed to set up a plant to manufacture Beta Naphthol which was shelved due to fluctuations in the international prices of Naphthalene vis-à-vis Beta Naphthol and then the company changed the expansion plan to manufacture SSP instead of Beta Naphthol.			

For further details with regard to project costs and implementation schedules, please refer to the chapter titled “Objects of the Issue” beginning on page number 65.

Further, we intend to fund the object of the Issue from Proceeds of the Issue and internal accruals. Our plans are subject to a number of contingencies, including changes in laws and regulations, government action, delays in obtaining approvals, inability to obtain plant and machinery and other supplies at quoted or at acceptable terms, accidents, natural calamities, terrorist activity and other factors, many of which may be beyond our control. We, therefore, cannot assure you that the costs incurred or time taken for implementation of these plans will not vary from our estimated parameters. Further, in case of delay in the IPO or receipt of proceeds of the Issue we may have to arrange for any alternate source of funding the major part of the project. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

#### Risks Associated with the Equity Shares

**41. After this Issue, the Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.**

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, the performance of our competitors, developments in the industry in which we operate and changing perceptions in the market about participation in these sectors, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalization and deregulation policies and significant developments in India’s fiscal regulations. There has been no public market for our Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the Issue Price. The share prices of companies participating in business assets can fluctuate significantly, which subjects an investment in the Equity Shares to substantial volatility.

**42. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.**

The price of the Equity Shares will be subject to a daily circuit breaker imposed by Stock Exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian Stock Exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The percentage limit of the circuit breaker may change. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders’ ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

**43. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.**

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. Such aforementioned conditions may adversely affect the trading price of the Equity Shares.

**44. Fluctuations in operating results and other factors may result in decreases in our Equity Share price.**

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Equity Shares. There may be significant volatility in the market price of our Equity Shares. If we are unable to operate profitably or as profitably as we have in the past, investors could sell our Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a decrease in the market price of our Equity Shares. In addition to our operating results, the operating results of other competitor companies, changes in financial estimates or recommendations by analysts, governmental investigations and litigation, speculation in the press or investment community, changes in general conditions in the economy or the financial markets, or other developments affecting the industry in which we operate, could cause the market price of our Equity Shares to be issued to fluctuate substantially.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

**46. The Equity Shares issued pursuant to the Issue may not be listed on the NSE and the BSE in a timely manner, or at all, and any trading closures at the NSE and the BSE may adversely affect the trading price of our Equity Shares.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the NSE and the BSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. The NSE and the BSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on the NSE and the BSE could adversely affect the trading price of the Equity Shares.

**External Risk****47. A slowdown in economic growth in India could cause our business to suffer.**

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of



operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

***48. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.***

Our financial statements, including the restated financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP.

As a result, our financial statements and reported earnings could be different from those which would be reported under IFRS or US GAAP. Such differences may be material. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Had the financial statements and other financial information been prepared in accordance with IFRS or US GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indian GAAP and IFRS or US GAAP, the financial information in respect of our Company contained in this Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or US GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS or US GAAP, and how such differences might affect the financial information contained herein.

***49. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the Companies Act, 2013 within the prescribed timelines, and this could also affect our reputation. To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed



framework and procedures, we may not be in a position to do so in a timely manner. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**50. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI in January 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material effect on the amount of income recognized during that period and in the corresponding period in the comparative period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

**51. *Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.***

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current Central government, which came to power in May 2014, is headed by the Bhartiya Janata Party (BJP). Although the current government has announced policies and taken initiatives that support the economic liberalization policies, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well. Additionally, any change in these policies could have a significant impact on infrastructure development, business and economic conditions in India.

**52. *Global economic conditions have been unprecedented and continue to have, an adverse effect on the global and Indian financial markets which may continue to have a material adverse effect on our business.***

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels. As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. These market and economic conditions have an adverse effect on the global and Indian financial markets and may continue to have a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

**53. *Natural disasters could have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced significant natural disasters such as earthquakes, a tsunami, floods, drought, fires and spread of pandemic diseases such as the H5N1 avian flu and the H1N1 swine flu, in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and



infrastructure. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy in which we operate, which could adversely affect our business and the price of our Equity Shares.

#### Prominent Notes:

1. Public issue of 1,07,69,200 Equity Shares for cash at a price of ₹ 65/- per Equity Share (including share premium of ₹ 55/- per Equity Share) aggregating upto ₹ 700 million. The Issue consists of a Fresh Issue of 87,42,611 Equity Shares aggregating up to ₹ 568.27 million and an Offer for Sale of upto 2,026,589 Equity Shares by the Selling Shareholder aggregating up to ₹ 131.73 million, respectively. The Issue will constitute 35.64% of the post-Issue paid-up equity share capital of our Company.
2. The name of our Company was changed to the present name from Shree Pushkar Petro Products Limited on March 5, 2012. For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page number 124.
3. Our Net Worth based on restated financial statements under Indian GAAP as on March 31, 2014, and as on March 31, 2015 was ₹ 636.01 million and 881.62 million respectively.
4. The Net Asset Value per Equity Share based on restated financial statements under India GAAP as on March 31, 2014 and as on March 31, 2015 was ₹ 30.71 and 42.57 respectively
5. Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares for which the Bidder applied, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder. For contact details of the Book Running Lead Manager and the Company Secretary and Compliance Officer, please refer to the chapter titled ‘*General Information*’ beginning on page number 41.
6. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	Average cost of acquisition (in ₹)
Punit Makharia	19.40
Gautam Makharia	9.04

*For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “Capital Structure” beginning on page number 50.*

7. Except as disclosed in the chapters titled “*Financial Information*”, “*Our Promoters and Promoter Group*” and “*Our Group Company*” beginning on page numbers 152, 146 and 149, respectively, none of our Promoters, Directors, Key Managerial Personnel or Group Company have any business or other interest, other than to the extent of Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. No part of the Issue proceeds will be paid as consideration to Promoters, Directors, Key Managerial Personnel or persons forming part of Promoter Group.
9. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.





## SECTION III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### Overview of Indian Economy

Over the period, FY2007-2013, the Indian economy had an average Gross Domestic Product (GDP) growth of 7.4%, although the growth has declined since FY2011. In the FY 2013, the annual GDP growth was lower at 5% as compared with 6.5% in FY 2012 and 8.4% in FY2011. In the first two quarters of FY 2014, there has been a small recovery in GDP growth, mainly, driven by agriculture and industry sectors. The services sector continues to be on declining trend. While the energy and financial services sectors have picked up in Q2FY2014, it is negative or low in the mining and manufacturing sectors. In the agriculture, construction and trade segments also, the growth has picked up in the quarter.

According to the United Nations Industry Development Organization (UNIDO), Indian chemical industry is among the six largest industries, globally, and third-largest in Asia. It contributes about 2% to India's GDP. The Government has allowed 100% foreign direct investment (FDI) in the sector, under the automatic route. The Government also planned investment in the three approved Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) of about ₹ 1,500,000 millions.

#### Overview of the Indian Dyestuff Industry

Dyestuffs and pigments are critical inputs to several industries such as textile, paper and packaging, leather, food, polymer, coating and printing ink. Textiles, paper and leather industries together, account for over 85% of the total demand for dyestuffs. Indian dyestuff industry is located, mainly, in Gujarat and Maharashtra.

Colorants industry has three key constituents: dyestuffs, pigments and intermediates. Intermediates are products manufactured from petrochemicals and are further processed to obtain dyestuff and pigments.

#### I. Overview of the Dye Intermediate Industry

Dye intermediates are chemical compounds that are processed to produce dyes and leather pigments. The basic raw materials used for the manufacture of dyestuff are Benzene, Toluene, Xylene and Naphthalene (BTXN). These raw materials are processed via nitration, sulphonation, amination, reduction and are transformed into dye intermediates. This is followed by processes such as diazotization, coupling and formulation to produce the particular dyestuff. Gamma Acid, H-acid, Amino-G-acid, Meta Ureido Aniline and Vinyl Sulphone Ester are a few types of intermediates manufactured or imported in India.

#### Government policy for Dye Intermediate Industry

Various policies that affect the dyestuffs industry include the rationalisation of customs duty as well as introduction of the effluent treatment and environmental norms. The dyestuffs, pigments and intermediates industry in India is subject to environmental pollution norms. The most immediate and urgent attention required from the Government is in granting of permission for product change-over and capacity expansions.

According to the Planning Commission's Twelfth Plan (2012-17) Working Group on chemicals industry, in the Eleventh Five Year Plan period, the dyes industry grew at 9.5%. Between 2000 and 2010, there has been a 14.5% annual growth in exports. Driven by robust exports growth, the Indian colorants industry has set a target to grow at a rate of 12% annually over the Twelfth Five Year Plan period.

#### Risks and concerns for dyes and intermediates industry

Indian dyes are viewed as commodities in the global market instead of branded products. The industry's expenditure on R&D is extremely low, at about 1% of sales as against 10% for international companies. To be able to build brand names and improve international presence the Indian players would need to invest in R&D.

Crude oil is the basic raw material used in production of dye and dye intermediates. Changing crude oil prices affect the sustainability of small scale units in dyestuff sector.



This sector is under strict environmental regulations enforced across the global platform. Because of pollution hazards associated with dyestuff products, regulators around the world stipulate stringent environmental norms, with cost implications such as on procuring technology.

## II. Overview of Acid Complex – Sulphuric Acid Industry

Sulphuric acid is a major raw material in the phosphate fertilizer industry. Other industrial users of sulphuric acid include: petroleum refining, steel pickling, rayon and staple fibre, pharmaceuticals, alum, explosives, detergents, plastics and fibres, and dyestuffs.

The Indian sulphuric acid industry is very old and has been continuously adopting new technology. It started with Lead Chamber process followed by Contact process with Single Conversion Single Absorption (SCSA) and now Double Conversion Double Absorption (DCDA) process.

## III. Overview of Cattle Feed Supplement – Di Calcium Phosphate

Dicalcium phosphate (DCP) or calcium monohydrogen phosphate is basically a dibasic calcium phosphate which can be made as fertilizer or animal feed. Fertiliser grade DCP is mainly used in phosphate fertiliser and compound fertilisers as raw material. Since it is very cheap, it helps in improving the product cost-effectiveness and enhancing market competitiveness. As an animal feed, DCP is mainly used as a dietary supplement in prepared breakfast cereals, dog treats, enriched flour, and noodle products. It is also used as a tablet agent in some pharmaceutical preparations and is used as a feed for poultry. Animal feed grade DCP has two types, namely granular and powder.

## IV. Overview of Indian Fertiliser Industry - SSP

There are about 152 fertiliser plants in operation in India, of which 91 plants manufacture SSP fertiliser with an annual installed capacity of 8,043,700 tonnes. In FY2013, the SSP production was 4,414,000 tonnes. In the five years to FY2013, SSP production has grown at a CAGR of 6%.

The Indian fertiliser industry provides for the three primary nutrients: nitrogen-N, phosphate- P<sub>2</sub>O<sub>5</sub> and potash-K<sub>2</sub>O. Besides these, the industry provides secondary nutrients, such as Calcium-Ca, sulphur-S and Magnesium-Mg, and micronutrients such as Zinc-Zn, Iron-Fe and Copper-Cu. The industry manufactures complex fertilisers (N:P:K), which are a combination of the three nutrients. Urea (46% N), ammonium sulphate or AS (20.6% N), calcium ammonium nitrate or CAN (25% N), ammonium chloride or Acl (25% N) are the straight nitrogenous N- fertilisers manufactured. Among the phosphate fertilisers, single super phosphate or SSP (16% P), with an installed capacity of 8.0 metric tonnes per annum (MTPA) is a major straight phosphate fertiliser comprising 20.7% of total P<sub>2</sub>O<sub>5</sub> capacity.

### Government regulations for Fertiliser Industry

To achieve self-sufficiency in fertilisers, the Government of India has protected the domestic industry through price and supply controls. Because of feedstock and raw material constraints, the industry has so far been less cost-efficient than the international counterparts.

### Fertiliser industry risks and concerns

The fertiliser industry has been facing shortage of key raw materials such as phosphoric rock and sulphuric acid for manufacturing urea and phosphate fertilisers. Increase in price of essential raw materials such as natural gas and its unavailability in adequate quantity also acts as a setback for the fertiliser producer.

For further details, please refer to the chapter titled '*Industry Overview*' beginning on page number 92.



## SUMMARY OF OUR BUSINESS

### Overview

We are an ISO 9001: 2008 certified company, promoted by first generation entrepreneurs, Punit Makharia and Gautam Makharia. We commenced our business operations in the year 1993 with a trading business and have emerged to become one of the few manufacturers with widest range of dye intermediates in India with zero waste. We have state of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra. Over the years, the integration (backward and forward) has helped us diversify into wide range of products in such a way that many of the intermediate products are used to manufacture other value added products leading to efficiencies in the cost of production and low dependence on raw materials from external sources.

We are also amongst India's large manufacturers of K-Acid, a dye intermediate used to manufacture Reactive Dyes for dyeing of textiles, with an installed capacity of 960 MTPA as on March 31, 2015.

We manufacture products in 4 major verticals viz., Dye Intermediates, Acid Complex (comprising sulphuric and its derivative acids), Cattle Feed Supplement and Fertilizers (Single Super Phosphate & Soil Conditioner).

The brief product details are as under:

Business Verticals	Products	Intermediate products for captive consumption
a. Dye Intermediates	Gamma Acid, K- Acid, R-Salt, Vinyl Sulphone, Meta Ureido Aniline and H- Acid	Amido G, G-Salt, R-Complex, Acetanilide
b. Acid Complex	Sulphuric Acid, Oleum and Chloro Sulphonic Acid (CSA)	-
c. Cattle Feed Supplement	Di- Calcium Phosphate (DCP)	Gypsum
d. Fertilizers	Single Super Phosphate (SSP) and Soil Conditioner	-

We market, sell and distribute our wide range of products to our diverse customers based in India and abroad. Over the years we have established our sales network both in domestic and international markets. We work on two-way marketing strategy, one being direct approach to our customers and the other through selling agents/dealers. As on date, our marketing strength comprises of 11 employees and 125 dealers.

Our products are marketed and sold in the states of Maharashtra, Gujarat and Karnataka in India. We are also a recognised Export House by Government of India. Our products are exported to one of the world's leading dye manufacturers' viz., Huntsman Corporation, headquartered in USA as also to Archroma Management LLC, a global color and speciality chemical company headquartered in Switzerland. Besides these, we also export to countries namely, Brazil, Thailand, Pakistan and Mexico.

The breakup of revenue generated directly from selling to customers and through dealers during the past three financial years is as under:

Particulars	(₹ in mln)		
	2014-15	2013-14	2012-13
Revenue from Sales to Direct Customers	2,214.34	1754.68	1405.55
Revenue from Sales Through Dealers	441.77	330.50	340.49
Total Sales	2,656.11	2085.18	1746.04

The percentage of exports generated from exports to Huntsman Corporation and Archroma Management LLC. during the past three years are as under :

Particulars	2014-15	2013-14	2012-13
% of revenue from Sales to Huntsman Corporation	5.93%	10.11%	4.71%
% of revenue from Sales to Archroma Management LLC	NA	0.53 %	0.17%

We have also entered into the marketing arrangement with DCM Shriram Limited, Delhi, for Single Super Phosphate (SSP) within the state of Maharashtra and Karnataka. It distributes our product along with its own products in the regions of Maharashtra and Karnataka. Our product is sold under the brand name "SHRIRAM



SUPER". DCM Shriram Limited is amongst India's leading companies having presence in Agri-Rural business like urea & SSP, sugar and farm inputs and Chlor-Vinyl business such as caustic soda, chlorine, calcium carbide, PVC resins among others manufacturing. We have during January 2012 launched our own soil conditioner brand "Dharti Ratna" which is being marketed in Western Maharashtra.

In addition, we have also entered into marketing arrangement with Shivam Chemicals Private Limited, Mumbai, (SCPL) for marketing of Di Calcium Phosphate (DCP) in the state of Karnataka. SCPL is a marketing agent in the state of Karnataka for Di Calcium Phosphate beside other products like Quick Lime, Hydrated Lime. It has a well established marketing network with agents all over India.

As on the date of this RHP, our Promoter and Promoter Group hold 87.96% while the balance 11.72% is held by IFCI Venture Capital Fund (IEDF).

As on the date, we have a total workforce of 529 including 10 senior executives, 26 managerial and supervisory staff, 66 office staff, 125 skilled and unskilled workers, 54 contract labourers and 248 casual labourers.

As of March 31, 2015,

- Revenue from Operations increased to ₹ 2,665.20 mn from ₹ 1,305.74 mn in fiscal 2011 at a CAGR of 19.53%.
- EBITDA increased to ₹ 315.49 mn from ₹ 94.14 mn at a CAGR of 35.29%.
- Net Profit after Tax increased to ₹ 186.50mn in FY 2014-15 from ₹ 27.54mn in FY 2010-11 at a CAGR of 61.32%.

Our Revenue from Operations comprised ₹ 2,026.75 mn from Dye Intermediates, ₹ 103.17 mn from Acid Complex, ₹ 53.41 mn from Cattle Feed Supplements and ₹ 481.87 mn from Fertilizers.

### **Competition**

Our Company operates in competitive environment which has number of organized and unorganised players in the Industry. The range of products that we manufacture nearly constitutes 80% of the product line in the Dyes Intermediates segment consumed. In addition we also manufacture Acids, Cattle Feed Supplement and Fertilizers, all under one roof.

Kiri Industries Limited, Bodal Chemicals Limited, Mayur Dye Chem Intermediates Limited, Bhageria Dye Chem Limited, Kutch Chemicals Industries Limited are some of the companies which manufacture some of our products in Dye Intermediates and Acids besides their other range of products.

SPA Vet Min Private Limited, Shanku's Biosciences Private Limited, SA Pharmachem Private Limited are some of the companies which manufacture Di Calcium Phosphate besides their other range of products.

Basant Agro Tech (India) Limited, Coromandel International Limited, Khaitan Chemicals & Fertilizers Limited, Rama Phosphates Limited are some of the companies which manufacture SSP and soil conditioners besides their other range of products.

Since, we are one of the few manufacturing companies in India with business presence in the above 4 verticals under one roof, the above companies are not directly comparable to us.

### **Our Competitive Strengths**

- We are one of the few integrated manufacturers of wide range of Dye Intermediates in India;
- We are one of the 'zero waste' manufacturer in the Dye Intermediates Industry in India;
- Strategic location of our facilities reduces time and costs overruns;
- We have a strong marketing and distribution network;
- Our products are catered to consumers from diverse sectors and industries;
- We have experienced management and key management personnel.



## **Business Strategy**

We are presently into the manufacture of dye intermediates, acids, fertilizers and soil conditioner. Our long term objective is to fully integrate our operations and develop facilities to manufacture dyes. Towards this, our Company through the present project, is setting up a plant to manufacture reactive dyes with a capacity of 3000 TPA by utilizing the raw materials which are being manufactured in-house. Through this, our Company will have complete control over the final product, quality, cost and output time thereby have an edge over the competitors.

We shall also target enhancing the capacities of our existing products to meet the incremental demand from our customers through organic and inorganic growth. Presently as a step towards this we are proposing to set up new plants for manufacture of H Acid and Vinyl Sulphone with a capacity of 750 TPA and 1000 TPA respectively. Currently, H-Acid and Vinyl Sulphone are the major contributors to the revenue in the dye intermediate segment of our business.

We believe that there is a significant growth potential in our existing product portfolio and we intend to be well positioned to capitalize these available opportunities of growth.

For further details, please refer to the chapter titled '*Our Business*' beginning on page number 103.

**SUMMARY OF OUR FINANCIAL INFORMATION**

The following tables set forth, the summary financial information derived from the restated financial information of our Company from section titled 'Financial Information' beginning on page number 152. The summary financial statements presented below should be read in conjunction with our restated financial statements, the notes and annexures thereto in the section titled 'Financial Information' on page number 152.

**Statement of Assets and Liabilities, as restated**

₹ in Million

Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed assets					
Tangible assets	598.00	580.54	473.36	499.22	341.57
Intangible assets	-	-	-	-	-
Capital work in progress	93.15	-	103.37	29.13	143.83
Non - current investments	0.51	0.51	0.51	0.51	0.51
Long - term loans and advances	12.29	6.54	16.75	7.19	14.48
Other non - current assets	10.16	3.88	2.38	4.00	2.93
<b>Current Assets</b>					
Inventories	316.44	601.46	737.20	649.10	366.09
Trade receivables	289.59	293.53	226.33	214.67	144.07
Cash and cash equivalents	31.91	47.53	36.92	42.57	30.61
Short - term loans and advances	34.98	23.74	4.19	5.82	4.89
Other Current Assets	17.58	12.49	35.10	36.92	24.60
<b>Total Assets (A)</b>	<b>1,404.61</b>	<b>1,570.22</b>	<b>1,636.11</b>	<b>1,489.13</b>	<b>1,073.57</b>
<b>LIABILITIES</b>					
<b>Non-current Liabilities</b>					
Long-term borrowings	2.67	120.25	111.39	64.53	64.09
Deferred tax liabilities (net)	37.48	43.80	34.60	28.16	24.99
<b>Current Liabilities</b>					
Trade payables	96.33	65.79	121.66	145.46	120.80
Short-term borrowings	245.63	497.60	609.72	576.95	317.10
Other current liabilities	81.86	148.86	197.24	174.84	123.48
Short term provisions	59.01	57.91	29.84	20.47	10.43
<b>Total Liabilities (B)</b>	<b>522.98</b>	<b>934.21</b>	<b>1,104.45</b>	<b>1,010.41</b>	<b>660.89</b>
<b>Total Net Assets (A-B)</b>	<b>881.62</b>	<b>636.01</b>	<b>531.65</b>	<b>478.72</b>	<b>412.68</b>
<b>Represented by</b>					
Share Capital	207.08	207.08	207.08	207.08	202.37
Share and warrant application money pending allotment	-	-	-	22.42	22.42
Reserves and Surplus	674.54	428.93	324.58	249.22	187.89





## Statement Profit and Loss, as restated

₹ in Million

Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
<b>Revenue</b>					
Revenue from Operations	2,665.20	2,100.87	1,759.82	1,507.10	1,305.74
Other Income	2.94	2.80	5.87	2.64	6.87
<b>Total Revenue</b>	<b>2,668.14</b>	<b>2,103.67</b>	<b>1,765.69</b>	<b>1,509.74</b>	<b>1,312.61</b>
<b>Expenses</b>					
Cost of Material Consumed/Traded	1,668.34	1,438.84	1,379.69	1,340.30	1,181.28
Changes in Inventories of FG & WIP	286.21	66.92	(80.90)	(190.08)	(62.10)
Employee Benefit Expenses	91.09	79.73	48.02	37.58	27.54
Depreciation and Amortization	36.25	46.44	40.53	33.88	19.11
Finance Costs	54.21	106.20	102.80	96.22	36.07
Other Expenses	304.07	223.66	185.77	119.00	64.85
Loss on Sale of Assets	-	0.06	-	-	-
<b>Total Expenses</b>	<b>2,440.17</b>	<b>1,961.83</b>	<b>1,675.92</b>	<b>1,436.90</b>	<b>1,266.75</b>
<b>Profit before Tax</b>	<b>227.97</b>	<b>141.82</b>	<b>89.77</b>	<b>72.84</b>	<b>45.86</b>
<b>Tax Expenses</b>					
Current Tax	47.78	28.27	18.00	16.00	9.92
MAT Credit Entitlement availed	-	-	4.70		
Deferred Tax	(6.31)	9.20	0.37	3.17	8.58
Tax of earlier years (MAT Credit Entitlement recognised)	-	-	(5.75)	0.13	(0.18)
<b>Profit for the period</b>	<b>186.50</b>	<b>104.35</b>	<b>72.45</b>	<b>53.54</b>	<b>27.54</b>



## Statement of Cash Flow, as restated

₹ in Million

Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
<b>A] Cash Flow from Operating Activities</b>					
Net Profit Before tax	227.97	141.82	89.77	72.84	45.86
<b>Adjustment for</b>					
Depreciation	36.25	46.27	40.53	33.88	19.11
Prior Period Items	-	(0.49)	0.27	(0.27)	0.32
Finance Costs	54.21	106.20	102.80	96.22	36.07
Interest Income	(2.18)	(2.35)	(5.35)	(2.49)	(1.13)
Dividend Received	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
	<b>316.17</b>	<b>291.38</b>	<b>227.94</b>	<b>200.11</b>	<b>100.16</b>
<b>Adjustment for change in Working Capital</b>					
Inventories	285.04	135.72	(88.09)	(283.01)	(74.05)
Trade and other Receivables	3.93	(67.20)	(11.66)	(70.60)	(20.03)
Trade Payable	30.54	(55.38)	(24.08)	24.93	8.71
Other Current Liabilities	(75.84)	(48.39)	41.79	51.36	82.22
Other Current Assets	(16.33)	3.05	10.56	(13.24)	(5.05)
<b>Cash Generated From Operations</b>	<b>543.51</b>	<b>259.21</b>	<b>156.44</b>	<b>(90.46)</b>	<b>91.95</b>
Direct Tax Paid	(46.69)	(0.19)	(8.63)	(6.09)	(4.30)
<b>Net Cash from Operating Activities (A)</b>	<b>496.82</b>	<b>259.02</b>	<b>147.81</b>	<b>(96.55)</b>	<b>87.64</b>
<b>B] Cash Flow from Investing Activities</b>					
Purchase of Fixed Assets	5.41	(153.46)	(14.66)	(191.54)	(218.79)
Capital Work in Progress	(93.15)	103.37	(74.24)	114.70	60.96
Decrease in Other Non Current Assets	6.29	10.21	(9.55)	7.29	0.66
Interest Income received	2.18	2.35	5.35	2.49	1.13
Dividend Received	0.08	0.08	0.08	0.08	0.08
<b>Net Cash used in Investing Activities (B)</b>	<b>(79.20)</b>	<b>(37.45)</b>	<b>(93.03)</b>	<b>(66.99)</b>	<b>(155.97)</b>
<b>C] Cash Flow from Financing Activities</b>					
Proceeds from Share Application Money / Issue of Share	-	-	(19.50)	12.50	32.00
Proceeds from Short term Borrowing	(251.92)	(85.59)	21.48	243.67	114.90
Proceeds from Term Loan	(95.83)	(16.18)	27.23	(0.31)	(51.05)
Proceeds from Unsecured Borrowing	(0.05)	(26.53)	11.29	16.18	(0.69)
Other Long-term Liabilities	(24.94)	25.04	0.26	0.75	-
Share Issue Expenses Paid	(6.29)	(1.49)	1.61	(1.07)	(0.54)
Finance Costs	(54.21)	(106.20)	(102.80)	(96.22)	(36.07)
<b>Net Cash from Financing Activities (C)</b>	<b>(433.24)</b>	<b>(210.95)</b>	<b>(60.42)</b>	<b>175.49</b>	<b>58.54</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(15.62)</b>	<b>10.61</b>	<b>(5.63)</b>	<b>11.96</b>	<b>(9.79)</b>
Cash & Cash Equivalents at beginning of the year	47.53	36.93	42.56	30.60	40.39
<b>Cash &amp; Cash Equivalents at end of the year</b>	<b>31.91</b>	<b>47.54</b>	<b>36.93</b>	<b>42.56</b>	<b>30.60</b>

**THE ISSUE**

The following table summarizes the Issue details:

<b>Equity Shares offered</b>	
<b>Issue of Equity Shares</b>	1,07,69,200 Equity Shares, aggregating upto ₹700 million
<i>of which:</i>	
Fresh Issue	87,42,611 Equity Shares, aggregating up to ₹ 568.27 million
Offer for Sale	upto 2,026,589 Equity Shares, aggregating up to ₹ 131.73 million
<b>Qualified Institutional Buyers Portion</b>	Not more than 53,84,600 Equity Shares
<i>of which:</i>	
Available for Allocation to Mutual Funds	Upto 2,69,230 Equity Shares constituting 5% of the QIB Portion
Balance for all QIBs including Mutual Funds	51,15,370 Equity Shares
<b>Non-Institutional Portion</b>	16,15,380 Equity Shares constituting not less than 15% of the Issue
<b>Retail Portion</b>	37,69,220 Equity Shares constituting not less than 35% of the Issue
<b>Pre and post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	21,476,824 Equity Shares
Equity Shares outstanding after the Issue	3,02,19,435 Equity Shares
<b>Use of Proceeds</b>	For details please refer to the chapter titled “Objects of the Issue” beginning on page number 65.

1. The Issue has been authorised by IPO Committee of our Board pursuant to their resolution dated September 26, 2014 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 EGM held on September 24, 2014. The Offer for Sale has been authorized by the Selling Shareholder *vide* its resolution dated September 22, 2014. The Equity Shares to be offered in the Offer for Sale have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Issue.
2. In terms of regulation 26(6) of the SEBI ICDR Regulations, the Equity Shares offered by the Selling Shareholder in the Offer for Sale have been held by them for more than a period of atleast one year as on the date of the Draft Red Herring Prospectus.
3. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and 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 BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
4. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 2,69,230 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.
5. Our Company has made a Pre-IPO Allotment of 769,235 Equity Shares at a Price of ₹ 65/- per equity share aggregating to ₹ 50 million. For further details, please refer to section ‘Capital structure’ beginning on page no 50 of this Offer Document.

**GENERAL INFORMATION****Registered Office of our Company****Shree Pushkar Chemicals & Fertilisers Limited**

202, A Wing, Building No. 3,  
Rahul Mittal Industrial Estate,  
Sir M.V. Road, Andheri (East),  
Mumbai – 400 059, Maharashtra

**Tel:** +91 22 4270 2525

**Fax:** +91 22 2850 4242

**Email:** [info@shreepushkar.com](mailto:info@shreepushkar.com)

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

For details of change in the name and Registered Office of our Company, please refer to the chapter titled “History and Other Corporate Matters” beginning on page number 124.

**Address of the RoC****Registrar of Companies, Mumbai, Maharashtra**

Everest, 100 Marine Drive,  
Mumbai – 400 002 Maharashtra

**Our Board of Directors**

The following table sets out brief information regarding our Board of Directors as on the date of this Prospectus:

<b>Sr. No.</b>	<b>Name, Designation and Occupation</b>	<b>Age (years)</b>	<b>DIN</b>	<b>Address</b>
1.	<b>Punit Makharia</b> <i>Designation:</i> Chairman and Managing Director <i>Occupation:</i> Business	45	01430764	Flat No. 42, Building B-1, Gagan Complex, Gokuldham, Goregaon (East), Mumbai- 400063, Maharashtra.
2.	<b>Gautam Makharia</b> <i>Designation:</i> Joint Managing Director <i>(Executive and Non-Independent)</i> <i>Occupation:</i> Business	42	01354843	Flat No. 601, ‘G’ Wing, Near Wagheshwari Temple, Satellite Garden, A.K. Vaidya Marg, Goregaon-East, Mumbai, 400063, Maharashtra.
3.	<b>Ramakant Nayak</b> <i>Designation:</i> Director <i>(Non-Executive and Independent)</i> <i>Occupation:</i> Professional	70	00129854	A-11, Anand Dham, Road No.9, Prabhat Colony, Near Hotel Yatri, Santacruz (East), Mumbai – 400 055, Maharashtra.
4.	<b>Nirmal Kedia</b> <i>Designation:</i> Director <i>(Non-Executive and Independent)</i> <i>Occupation:</i> Business	45	00050769	252, Krishna Bhavan, Ground Floor, Walkehswar Road, Walkeshwar, Mumbai – 400 006, Maharashtra.
5.	<b>Dinesh Modi</b> <i>Designation:</i> Director <i>(Non-Executive and Independent)</i> <i>Occupation:</i> Professional	64	00004556	B 22, Sperry Star Co-operative Housing. Society Limited, Eksar Road, Borivli (West), Mumbai, 400091, Maharashtra, India
6.	<b>Poonam Garg</b> <i>Designation:</i> Nominee director <i>(Non-Executive and Non-Independent)</i> <i>Occupation:</i> Professional	47	00049894	A-802, The New Cosmopolitan Apartment., Plot No. 33, Sector 10, Dwarka, New Delhi, 110075, Delhi, India

For further details, please refer to the chapters titled “Our Management” and “Our Promoters and Promoter Group” beginning on page numbers 132 and 146 respectively.

**Company Secretary and Compliance Officer****Kishan Bhargav**

202, A Wing, Building No. 3,  
Rahul Mittal Industrial Estate,  
Sir M.V. Road, Andheri (East),  
Mumbai – 400 059, Maharashtra  
**Tel:** +91 22 4270 2525  
**Fax:** +91 22 2850 4242  
**Email:** cosec@shreepushkar.com

**Chief Financial Officer****Ratan Jha**

202, A Wing, Building No. 3,  
Rahul Mittal Industrial Estate,  
Sir M.V. Road, Andheri (East),  
Mumbai – 400 059, Maharashtra  
**Tel:** +91 22 4270 2525  
**Fax:** +91 22 2850 4242  
**Email:** ratan@shreepushkar.com

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

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted.

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

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>	<b>REGISTRAR TO THE ISSUE</b>
<b>Keynote Corporate Services Limited</b> The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028. Maharashtra <b>Tel:</b> +91-22-30266000 <b>Fax:</b> +91-22-30266088 <b>Website:</b> www.keynoteindia.net <b>Email:</b> mbd@keynoteindia.net <b>Contact Person:</b> Janardhan Wagle <b>SEBI Registration No:</b> INM 000003606	<b>Bigshare Services Private Limited</b> E – 2 & 3, Ansa Industrial Estate, Saki – Vihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 Maharashtra <b>Tel:</b> +91-22-4043 0200 <b>Fax:</b> +91-22-2847 5207 <b>Website:</b> www.bigshareonline.com <b>Email:</b> ipo@bigshareonline.com <b>Contact Person:</b> Ashok Shetty <b>SEBI Registration No:</b> INR000001385



LEGAL ADVISOR TO THE ISSUE	STATUTORY & PEER REVIEW AUDITORS TO OUR COMPANY
<b>M/s. Crawford Bayley &amp; Co.</b> State Bank Buildings, 4 <sup>th</sup> Floor, N.G.N. Vaidya Marg, Fort, Mumbai – 400 001 Maharashtra <b>Tel:</b> +91-22-2266 8000 <b>Fax:</b> +91-22-2266 3978 <b>Email:</b> sanjay.asher@crawfordbayley.com	<b>M/s. Jajodia &amp; Company,</b> <b>Chartered Accountants</b> Office No. 4, 1 <sup>st</sup> Floor, 547 Kalbadevi Road, Mumbai – 400 002 Maharashtra <b>Tel:</b> +91-22-6637 7630 <b>Fax:</b> +91-22-6637 2763 <b>Email:</b> <a href="mailto:jajodianco@gmail.com">jajodianco@gmail.com</a> <b>Contact Person:</b> Dinesh Jajodia <b>Firm Registration number:</b> 121911W <b>Membership number:</b> 101008

BANKERS TO OUR COMPANY	
<b>State Bank of India</b> Industrial Finance Branch, Andheri 102, Natraj 194, Sir M.V. Roadm W.E. Highway- Metro Junction, Andheri (E), Mumbai- 400069. <b>Tel:</b> +91-22-2681 9795 <b>Fax:</b> +91-22-2683 3001 <b>Website:</b> <a href="http://www.sbi.co.in">www.sbi.co.in</a> <b>E-mail:</b> varsha.bhat@sbi.co.in <b>Contact Person:</b> Varsha Bhat	<b>State Bank of Travancore</b> Shop No. 1, 2, 3, Shripal Building, Chhaya Society, Chembur Naka, Sion Trombay Road, Mumbai- 400071. <b>Tel:</b> +91-22-2529 0220/ 2529 0221 <b>Fax:</b> +91-22-2529 0221 <b>Website:</b> <a href="http://www.statebankoftravancore.com">www.statebankoftravancore.com</a> <b>E-mail:</b> <a href="mailto:chembur@sbt.co.in">chembur@sbt.co.in</a> <b>Contact Person:</b> Arun G.
	<b>IDBI Bank Limited</b> Opus Center, Ground Floor, Plot number- 47, Central Road, Opposite Tunga Paradise, MIDC, Andheri (E), Mumbai- 400093. <b>Tel:</b> +91-22-6758 2578 <b>Fax:</b> +91-22- 2836 5091 <b>Website:</b> <a href="http://www.idbi.com">www.idbi.com</a> <b>E-mail:</b> <a href="mailto:Rakesh.ranjan@idbi.co.in">Rakesh.ranjan@idbi.co.in</a> <b>Contact Person:</b> Rakesh Ranjan

#### Inter se allocation of responsibility

**Keynote Corporate Services Limited** is the sole Book Running Lead Manager to the Issue and shall be responsible for the following activities:

Sr. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Conducting a Due diligence of the Company including its operations / management / business / plans / legal, etc. Drafting and design of the Offer Document, and of statutory advertisement including a memorandum containing salient features of the Prospectus. The Book Running Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing, including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.
3.	Drafting and approval of all publicity material including the statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.
4.	Appointment of other intermediaries' viz., Registrar to the Issue, Printers, Advertising Agency, Bankers to the Issue and IPO Grading Agency (if any).
5.	Preparation of road show presentation and frequently asked questions;





Sr. No.	Activity
7.	Institutional marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalising the list and division of investors for one-to-one meetings; and</li> <li>Finalising the international and domestic institutional road show and investor meeting schedules.</li> </ul>
8.	Non-institutional and retail marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> <li>Formulating marketing strategies and preparation of publicity budget;</li> <li>Finalising media and public relations strategy;</li> <li>Finalising centres for holding conferences for press, brokers, etc.; and</li> </ul> Follow-up on distribution of publicity and Issue material including forms, the Prospectus; and deciding on the quantum of Issue material.
9.	Coordination with the Stock Exchanges for book building software, bidding terminals and mock trading.
10.	Pricing, managing the book and coordination with Stock-Exchanges.
11.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc.
12.	Post-Bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, coordination with the Registrar to the Issue and Bankers to the Issue, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments and dispatch of certificates and demat of delivery of shares with the various agencies connected with these activities such as the Registrar to the Issue, the Bankers to the Issue and the bank handling refund business. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfil their functions and for enabling them to discharge their responsibilities through suitable agreements with the Company.

#### BANKERS TO THE ISSUE / ESCROW COLLECTION BANKS

##### ICICI Bank Limited

Capital Market Division, 1<sup>st</sup> Floor, 122,  
Mistry Bhavan, Dinshaw Vachha Road,  
Backbay Reclamation, Churchgate,  
Mumbai-400020.

**Tel:** +91-22-2285 9923

**Fax:** +91-22-2261 1138

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

**E-mail:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)

**Contact Person:** Rishav Bagrecha

##### HDFC Bank Limited

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

**Tel:** +91-22-3075 2928

**Fax:** +91-22-2579 9801

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

**E-mail:** [uday.dixit@hdfcbank.com](mailto:uday.dixit@hdfcbank.com)

**Contact Person:** Uday Dixit

##### IndusInd Bank Limited

PNA House, 4<sup>th</sup> Floor, Plot No. 57 & 57/1, Road No.  
17, Near SRL, MIDC, Andheri (E), Mumbai- 400093.

**Tel:** +91-22-6106 9248

**Fax:** +91-22- 6623 8021

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

**E-mail:** [suresh.esaki@indusind.com](mailto:suresh.esaki@indusind.com)

**Contact Person:** Suresh Esaki

#### REFUND BANKERS

##### ICICI Bank Limited

Capital Market Division, 1<sup>st</sup> Floor, 122,  
Mistry Bhavan, Dinshaw Vachha Road,  
Backbay Reclamation, Churchgate,  
Mumbai-400020.

**Tel:** +91-22-2285 9923

**Fax:** +91-22-2261 1138

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

**E-mail:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)

**Contact Person:** Rishav Bagrecha

**SYNDICATE MEMBER****Keynote Capitals Limited**

The Ruby, 9th Floor, Senapati Bapat Marg,  
Mumbai - 400028

**Tel:** +91-22-3026 6000

**Fax:** +91-22-3026 6088

**Website:** [www.keynoteindia.net](http://www.keynoteindia.net)

**E-mail:** [rakesh@keynoteindia.net](mailto:rakesh@keynoteindia.net)

**Contact Person:** Rakesh Choudhari

**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI's website <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

**Registered Brokers**

All the members of the recognised stock exchanges would be eligible to act as brokers to the Issue. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of NSE and BSE at <http://www.bseindia.com/Markets/PublicIssues/brokercentres=3> and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively.

**Credit Rating**

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

**Expert Opinion**

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

Our Company has received consent from the Auditors namely, M/s Jajodia & Company, Chartered Accountants to include their name as an expert (also as defined under Section 26 of the Companies Act, 2013 in this Prospectus in relation to the 'Statement of Tax Benefits' and the report of the Auditors dated May 8, 2015, included in this Prospectus and such consent has not been withdrawn as of the date of this Prospectus.

**Trustees**

This being an issue of Equity Shares, the appointment of trustee is not required.

**Appraisal and Monitoring Agency**

The objects of the Issue have not been appraised by any agency. The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. As the Proceeds of the Issue will be less than ₹ 5,000 million, under the sub-regulation (1) of Regulation 16 of SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company. As required under the listing agreements with the Stock Exchanges, the Audit Committee constituted by our Board of Directors will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the Issue proceeds remain unutilized, to the extent required under the applicable law and regulation.

**Book Building Process**

Book Building refers to the process of collection of Bids made by the investors on the basis of the Red Herring Prospectus. The Price Band and the minimum Bid lot size will be decided by our Company in consultation with the BRLM and in accordance with the SEBI ICDR Regulations at the time of RHP. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:



- a) Our Company,
- b) Book Running Lead Manager,
- c) Selling Shareholder;
- d) Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with NSE and BSE eligible to act as Underwriters. The Book Running Lead Manager shall appoint the Syndicate Member,
- e) Registrar to this Issue,
- f) Registered Broker;
- g) Escrow Collection Banks; and
- h) Self Certified Syndicate Banks.

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the SCRR and SEBI ICDR Regulations.

In terms of Rule 19(2)(b)(i) of the SCRR and under the SEBI Regulations, the Issue is being made in accordance with Regulation 26(1) of the SEBI Regulations, through the Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIB Bidders, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category other than QIB portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange.

**QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process.**

Our Company and the Selling Shareholder will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

**Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all non- retail Investors i.e. QIBs and Non Institutional Investors are mandatorily required to utilise the ASBA facility to submit their Bids and participate in this Issue.**

**Attention of all QIBs is specifically drawn to the fact that all QIBs are required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, QIB Bidders Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to revise or withdraw their Bids after the Bid Closing Date. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until finalisation of the Basis of Allotment. For further details, please refer to the chapter titled 'Terms of the Issue' and 'Issue Procedure' beginning on page numbers 217 and 224 respectively.**

**The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.**

**Steps to be taken by the Bidders for making a Bid or application in this Issue:**

1. Check eligibility for making a Bid. For further details, please refer to the chapter titled “*Issue Procedure*” beginning on page number 224. Specific attention of ASBA Bidders is invited to the chapter titled “*Issue Procedure*” beginning on page number 224;
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form, as the case may be;
3. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form (for further details, please refer to the chapter titled “*Issue Procedure*” on beginning on page number 224). The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Ensure the correctness of your Demographic Details (as defined under the paragraph titled “*Bidder’s Depository Account Details*”, in the chapter titled “*Issue Procedure*” beginning on page number 224), given in the Bid-cum-Application Form, and the details recorded with your Depository Participant;
6. Bids by ASBA Bidders have to be submitted to the SCSBs at the Designated Branches or Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their ASBA Bid-cum-Application Form is not rejected; and
7. Bidders may also submit their Bids to the Broker Centre at locations covered under the nationwide network of the Stock Exchange, an updated list of which is available on the website of the Stock Exchange. Bidders can view the status of their Bids on the website of Stock Exchange.

**Illustration of Book Building Process and Price Discovery Process**

Bidders (including ASBA Bidders) can bid at any price within the price band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 Equity Shares and receipt of five bids from Bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period.

The illustrative book shown below shows the demand for the shares at various prices and is collated from bids from various investors.

Number of Equity Shares Bid for	Bid Price (₹)	Cumulative Equity Shares Bid for	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 quantum of shares is the price at which the book cuts off, i.e., ₹22 in the above example. The Issuer, in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut off price, i.e. at or below ₹22. All bids at or above this issue price and cut off bids by Retail Individual Bidders are valid bids and are considered for allocation in the respective categories.

*(Investors should note that this illustration is solely for the purpose of illustration and is not specific to this Issue)*

**Bidding / Issue Programme:**

<b>BID / ISSUE OPENED ON</b>	Tuesday, August 25, 2015
<b>BID / ISSUE CLOSED ON</b>	Thursday, August 27, 2015

Bids and any revision in Bids shall be accepted only between **10 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid / Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or in case of Bids submitted through ASBA Form, the Designated Branches or the Syndicate / Sub-syndicate member (at ASBA Bidding Locations) except that on the Bid / Issue Closing Date (which for the QIBs may be a day prior to that of the other Bidders), the Bids shall be accepted only between **10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs and Non Institutional Bidders and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to the Stock Exchanges within half an hour of such closure.

In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the BRLM, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the Bid cum Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSB.

Due to limitation of the time available for uploading the Bids on the Bid / Issue Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid / Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid / Issue Closing Date. Bidders are requested to note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, our Company, the Selling Shareholder, Book Running Lead Manager, Syndicate Member, Sub-syndicate member and the SCSBs will not be responsible. Bids will be accepted only on Working Days.

On the Bid / Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Manager to the Stock Exchanges within half an hour of such closure. All times mentioned in the Red Herring Prospectus are Indian Standard Time.

Our Company in consultation with the Book Running Lead Manager reserves the right to revise the Price Band during the Bid / Issue Period in accordance with the SEBI ICDR Regulations, provided that the Cap Price is less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least two Working Days before the Bid / Issue Opening Date.

**In case of revision of the Price Band, the Bid / Issue Period will be extended for a minimum of three additional working days, subject to the total Bid / Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid / Issue, if applicable, will be widely disseminated by notification to the NSE and BSE, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate.**

**Withdrawal of the Issue:**

In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholder, in consultation with Book Running Lead Manager, reserve the right not to proceed with this Issue at any time after the Bid / Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company and the Selling Shareholder withdraw the Issue after the Bid / Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. If Issue is withdrawn after the Bid Closing Date and a fresh public offering is intended, a fresh offer document will be filed with SEBI.



Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company and Selling Shareholder will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be issued in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Book Running Lead Manager shall be responsible for bringing in the amount devolved in the event that the Syndicate Member(s) do not fulfil their underwriting obligations. The Underwriting shall be to the extent of the bids uploaded by the Underwriter including through its syndicates /sub-syndicates. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriter has indicated their intention to underwrite the following number of Equity Shares:

Name, address and contact information of the Underwriter(s)	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹Million)
<b>Keynote Corporate Services Limited</b> 4th Floor, Balmer Lawrie Building, 5, J.N. Heredia Marg, Ballard Estate, Mumbai - 400001 <b>Tel:</b> 91- 022- 3026 6000-03; <b>Fax:</b> 91- 022- 2269 4323 <b>Email:</b> mbd@keynoteindia.net <b>Website:</b> www.keynoteindia.net	1,00,000	6.50
<b>Keynote Capitals Limited</b> 4th Floor, Balmer Lawrie Building, 5, J.N. Heredia Marg, Ballard Estate, Mumbai – 400001, India <b>Tel:</b> 91- 022- 3026 6000; <b>Fax:</b> +91-022- 22694323 <b>Email:</b> kcl@keynoteindia.net <b>Website:</b> www.keynotecapitals.com	1,06,69,200	693.50
<b>Total</b>	<b>1,07,69,200</b>	<b>700.00</b>

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are 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 or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors.

Notwithstanding the above table, the Book Running Lead Manager and the Syndicate Member shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement. The Book Running Lead Manager shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfil their underwriting obligations.



**CAPITAL STRUCTURE**

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

No.	Particulars	Amount (in ₹ million)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A. Authorised Share Capital</b>			
	32,000,000 Equity Shares	320.00	
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Issue</b>			
	21,476,824 Equity Shares	214.77	
<b>C. Present Issue in terms of this Prospectus</b>			
	Issue of 1,07,69,200 Equity Shares of face value ₹10 each	107.69	700.00
	<i>Consisting of:</i>		
	Fresh Issue of 87,42,611 Equity Shares of face value ₹10 each	87.43	568.27
	Offer for sale of upto 2,026,589 Equity Shares of face value ₹10 each	20.27	131.73
	<i>of which:</i>		
	a) QIB Portion of not more than 53,84,600 Equity Shares, being not more than 50% of the Issue	53.85	350.00
	<i>Of Which</i>		
	Mutual Fund Portion is 2,69,230 Equity Shares, being 5% of the QIB Portion	2.69	17.50
	Other QIBs (including Mutual Funds) 51,15,370 Equity Shares	51.15	332.50
	b) Non-Institutional portion of not less than 16,15,380 Equity Shares, being not less than 15% of the Issue	16.15	105.00
	c) Retail Portion of not less than 37,69,220 Equity Shares, being not less than 35% of the Issue	37.69	245.00
<b>D. Issued, Subscribed and Paid-Up Share Capital after the Issue</b>			
	3,02,19,435 Equity Shares	302.19	1964.26
<b>E. Securities Premium Account</b>			
	Before the Issue		138.93
	After the Issue		619.77

- All Equity Shares issued by our Company are fully paid-up.
- The Issue has been authorised by IPO Committee of our Board pursuant to their resolution dated September 26, 2014, the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGM held on September 24, 2014.
- The Offer for Sale has been authorized by the Selling Shareholder vide its resolution dated September 22, 2014. The Equity Shares to be offered in the Offer for Sale have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Issue.
- The Securities Premium Account after the Issue shall be determined after Book Building Process.

For further details, please refer to the section titled "Issue Related Information" beginning on page number 217.

**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		
₹ 1,000,000 consisting of 100,000 Equity shares of ₹ 10 each.		On incorporation	-
₹1,000,000 consisting of 100,000 Equity shares of ₹10 each.	₹5,000,000 consisting of 500,000 Equity shares of ₹10 each.	July 14, 1995	EGM
₹5,000,000 consisting of 500,000 Equity shares of ₹10 each.	₹10,000,000 consisting of 1,000,000 Equity shares of ₹10 each.	October 14, 1996	AGM
₹10,000,000 consisting of 1,000,000 Equity shares of ₹10 each.	₹26,000,000 consisting of 2,600,000 Equity shares of ₹10 each.	February 11, 1998	EGM
₹26,000,000 consisting of 2,600,000 Equity shares of ₹10 each.	₹76,000,000 consisting of 7,600,000 Equity shares of ₹10 each.	March 20, 2006	EGM
₹76,000,000 consisting of 7,600,000 Equity shares of ₹10 each.	₹210,000,000 consisting of 21,000,000 Equity shares of ₹10 each.	March 30, 2009	EGM
₹210,000,000 consisting of 21,000,000 Equity shares of ₹10 each.	₹250,000,000 consisting of 25,000,000 Equity shares of ₹10 each.	March 25, 2014	EGM
₹250,000,000 consisting of 25,000,000 Equity shares of ₹10 each.	₹320,000,000 consisting of 32,000,000 Equity shares of ₹10 each.	July 28, 2014	AGM

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

Date of Allotment / Fully Paid-up	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 security premium (₹)
April 20, 1993	700	10	10.00	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	700	7,000	Nil
May 31, 1995	98,300	10	10.00	Cash	Further Allotment <sup>(2)</sup>	99,000	990,000	Nil
December 28, 1995	200,000	10	10.00	Cash	Further Allotment <sup>(3)</sup>	299,000	2,990,000	Nil
September 17, 1996	101,000	10	10.00	Cash	Further Allotment <sup>(4)</sup>	400,000	4,000,000	Nil
November 20, 1996	279,600	10	10.00	Cash	Further Allotment <sup>(5)</sup>	679,600	6,796,000	Nil
January 25, 1998	265,200	10	10.00	Cash	Further Allotment <sup>(6)</sup>	944,800	9,448,000	Nil
March 2, 1998	1,305,200	10	10.00	Cash	Further Allotment <sup>(7)</sup>	2,250,000	22,500,000	Nil
March 15, 2002	350,000	10	38.00	Cash	Further Allotment <sup>(8)</sup>	2,600,000	26,000,000	9,800,000
March 29, 2006	2,200,000	10	10.00	Nil	Bonus Issue <sup>(9)</sup>	4,800,000	48,000,000	Nil
March 29, 2006	2,400,000	10	10.00	Cash	Further Allotment <sup>(10)</sup>	7,200,000	72,000,000	Nil
March 29, 2006	310,000	10	10.00	Cash	Further Allotment <sup>(11)</sup>	7,510,000	75,100,000	Nil
April 20, 2009	7,550,000	10	10.00	Cash	Further Allotment <sup>(12)</sup>	15,060,000	150,600,000	Nil



Date of Allotment / Fully Paid-up	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 security premium (₹)
May 27, 2009	2,635,542	10	26.56	Cash	Allotment of Shares IEDF <sup>(13)</sup> to	17,695,542	176,955,420	43,644,576
December 23, 2009	1,506,024	10	26.56	Cash	Further Allotment IEDF <sup>(14)</sup> to	19,201,566	192,015,660	68,584,333
June 30, 2010	941,265	10	26.56	Cash	Further Allotment IEDF <sup>(15)</sup> to	20,142,831	201,428,310	84,171,681
September 17, 2010	94,126	10	26.56	Cash	Further Allotment IEDF <sup>(16)</sup> to	20,236,957	202,369,570	85,730,408
June 23, 2011	470,632	10	26.56	Cash	Further Allotment IEDF <sup>(17)</sup> to	20,707,589	207,075,890	93,524,074
August 10, 2015	7,69,235	10	65.00	Cash	Pre-Ipo Allotment <sup>(18)</sup>	21,476,824	214,768,240	1,35,831,999

1. Initial allotment of 100 Equity Shares each to the subscribers to the MoA of our Company being Punit Makharia, Pushkar Dutt Makharia, Gautam Makharia, Bhanu Makharia, Raj Makharia, Gopikishan Makharia and Kailash Chandra Makharia respectively.
2. Further allotment of 20,300 Equity Shares to Punit Makharia, 20,000 Equity Shares to Gautam Makharia, 10,000 Equity Shares to Bhanu Makharia and 48,000 Equity Shares to M/s G. Gautam Overseas.
3. Further allotment of 118,000 Equity Shares to Punit Makharia, 9,000 Equity Shares to Gautam Makharia, 30,000 Equity Shares to M/s. G. Gautam Overseas, 5,000 Equity Shares to Dwarka Securities Private Limited, 20,000 Equity Shares to Ranjana Makharia, 5,500 Equity Shares to Rajendra Singh and 12,500 Equity Shares to Kaushal Sharma.
4. Further allotment of 91,000 Equity Shares to Dwarka Securities Private Limited and 10,000 Equity Shares to Rajendra Singh.
5. Further allotment of 6,700 Equity Shares to Punit Makharia, 13,600 Equity Shares to Gautam Makharia, 1,000 Equity Shares to Bhanu Makharia, 1,000 Equity Shares to Gopikishan Makharia, 135,000 Equity Shares to M/s. G. Gautam Overseas, 120,000 Equity Shares to Dwarka Securities Private Limited, 1,000 Equity Shares to Ranjana Makharia and 1,300 Equity Shares to Rajendra Singh.
6. Further allotment of 145,767 Equity Shares to Punit Makharia, 100 Equity Shares to Pushkar Dutt Makharia, 48,867 Equity Shares to Gautam Makharia, 32,066 Equity Shares to Bhanu Makharia, 100 Equity Shares to Raj Makharia, 100 Equity Shares to Gopikishan Makharia, 100 Equity Shares to Kailash Chandra Makharia, 4,400 Equity Shares to Dwarka Securities Private Limited, 17,700 Equity Shares to Ranjana Makharia, 4,900 Equity Shares to Rajendra Singh and 11,100 Equity Shares to Kaushal Sharma.
7. Further allotment of 210,000 Equity Shares to Punit Makharia, 140,000 Equity Shares to Pushkar Dutt Makharia, 210,000 Equity Shares to Gautam Makharia, 120,000 Equity Shares to Bhanu Makharia, 110,000 Equity Shares to Raj Makharia, 120,000 Equity Shares to Gopikishan Makharia, 130,000 Equity Shares to Kailash Chandra Makharia, 110,000 Equity Shares to Ranjana Makharia, 5,100 Equity Shares to Sudhir Kangutkar, 145,000 Equity Shares to Makharia Overseas Private Limited and 5,100 Equity Shares to Manisha Sarfare.
8. Further allotment of 175,000 Equity Shares to Punit Makharia and 175,000 Equity Shares to Gautam Makharia.
9. Our Company vide a Board resolution dated March 29, 2006 and vide a shareholders' resolution in the EGM dated March 29, 2006, issued 2,200,000 Equity Shares of ₹10 each as bonus shares to the existing shareholders as on March 28, 2006 in the ratio of eleven Equity Shares for every thirteen Equity Shares held by capitalizing ₹22,000,000 out of the Reserves and Surplus Account of our Company. The shares were allotted in the following manner:- 827,595 Equity Shares to Punit Makharia, 730,034 Equity Shares to Gautam Makharia, 143,141 Equity Shares to Bhanu Makharia, 113,131 Equity Shares to Gopi Kishan Makharia, 106,192 Equity Shares to Ranjana Makharia, 93,246 Equity Shares to Aradhana Makharia, 84,954 Equity Shares to Dwarka Securities Private Limited, 93,077 Equity Shares to Makharia



Overseas Private Limited, 4,315 Equity Shares to Manisha Sarfare and 4,315 Equity Shares to Sudhir Kangutkar.

10. Further allotment of 1,162,500 Equity Shares to Punit Makharia, 713,500 Equity Shares to Gautam Makharia, 120,000 Equity Shares to Bhanu Makharia, 110,000 Equity Shares to Gopikishan Makharia, 144,000 Equity Shares to Ranjana Makharia and 150,000 Equity Shares to Aradhana Makharia.
11. Further allotment of 120,000 Equity Shares to Punit Makharia, 120,000 Equity Shares to Gautam Makharia and 70,000 Equity Shares to Dwarka Securities Private Limited on conversion of the debentures.
12. Further allotment of 5,648,000 Equity Shares to Punit Makharia and 1,902,000 Equity Shares to Gautam Makharia.
13. Allotment of 2,635,542 Equity Shares to IEDF.
14. Further allotment of 1,506,024 Equity Shares to IEDF.
15. Further allotment of 941,265 Equity Shares to IEDF.
16. Further allotment of 94,126 Equity Shares to IEDF.
17. Further allotment of 470,632 Equity Shares to IEDF.
18. Pre- IPO allotment of 769,235 Equity Shares to the following entities:

Name of the Allottee	Category	No. of Shares
Unifi Financial Private Ltd.	Body Corporate	153,847
Net Resources Pvt. Ltd.	Body Corporate	153,847
Unifi AIF	Alternate Investment Fund	153,847
Any Reddy	Individual	153,847
IRIS Realty Pvt. Ltd	Body Corporate	123,077
Mid Valley Healthcare Services Pvt. Ltd.	Body Corporate	23,077
Nandita Nag	Individual	7,693
<b>Total</b>		<b>769,235</b>

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

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Issue/Allotment of the Equity Shares	Name of the Allottee	No. of Equity Shares	Face Value (in ₹)	Nature of Allotment
March 29, 2006	Punit Makharia	827,595	10	Bonus Issue
	Gautam Makharia	730,034	10	Bonus Issue
	Bhanu Makharia	143,141	10	Bonus Issue
	Gopikishan Makharia	113,131	10	Bonus Issue
	Makharia Overseas Private Limited	93,077	10	Bonus Issue
	Dwarka Securities Private Limited	84,954	10	Bonus Issue
	Ranjana Makharia	106,192	10	Bonus Issue
	Sudhir Kangutkar	4,315	10	Bonus Issue
	Manisha Sarfare	4,315	10	Bonus Issue
	Aradhana Makharia	93,246	10	Bonus Issue
<b>Total</b>		<b>2,200,000</b>		

\* The Equity Shares issued pursuant to the bonus issue are not ineligible as per Regulation 33 of the SEBI ICDR Regulations as the same are not acquired in the preceding three years and are not resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company nor from the bonus issue against Equity Shares which are ineligible for minimum Promoters' contribution.



#### 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 and lock-in*

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)	% of pre issue capital	% of post issue capital	Source of funds for acquisition
<b>(A) Punit Makharia</b>								
April 20, 1993	Subscription to Memorandum of Association	100	10	10.00	Cash	0.0005	0.0003	Owned
May 31, 1995	Further Allotment	20,300	10	10.00	Cash	0.09	0.07	
December 28, 1995	Further Allotment	118,000	10	10.00	Cash	0.55	0.39	
November 20, 1996	Further Allotment	6,700	10	10.00	Cash	0.03	0.02	
December 31, 1996	Transfer from M/s G Gautam Overseas	71,000	10	10.00	Cash	0.33	0.23	
January 25, 1998	Further Allotment	145,767	10	10.00	Cash	0.68	0.48	
March 2, 1998	Further Allotment	210,000	10	10.00	Cash	0.98	0.69	
March 15, 2002	Further Allotment	175,000	10	28.00	Cash	0.81	0.58	
March 31, 2005	Transfer from Pushkardutta Makharia	100	10	10.00	Cash	0.0005	0.0003	
March 31, 2005	Transfer from Pushkardutta Makharia	140,000	10	10.00	Cash	0.65	0.46	
March 31, 2005	Transfer from Ranjana Makharia	40,000	10	10.00	Cash	0.19	0.13	
March 31, 2005	Transfer from Rajendra Singh	4,900	10	10.00	Cash	0.02	0.02	
March 31, 2005	Transfer from Kaushal Sharma	11,100	10	10.00	Cash	0.05	0.04	
March 29, 2006	Transfer from Pushkardutta Makharia	100	10	10.00	Cash	0.0005	0.0003	
March 29, 2006	Bonus Issue	827,595	10	Nil	Other than cash	3.85	2.74	
March 29, 2006	Further Allotment	1,162,500	10	10.00	Cash	5.41	3.85	
March 29, 2006	Further Allotment	120,000	10	10.00	Cash	0.56	0.40	
May 12, 2008	Transfer from Dwarka Securities Private Limited	255,354	10	10.00	Cash	1.19	0.84	
May 12, 2008	Transfer from Makharia Overseas Private Limited	238,077	10	10.00	Cash	1.11	0.79	
April 20, 2009	Further Allotment	5,648,000	10	10.00	Cash	26.30	18.69	
January 31, 2013	Transfer from IE DF	1,146,000	10	48.00	Cash	5.34	3.79	
August 15, 2014	Transfer from IEDF	200,000	10	45.00	Cash	0.93	0.66	



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)	% of pre issue capital	% of post issue capital	Source of funds for acquisition
		1,875,000	10	48.00	Cash	8.73	6.20	Owne d and Borrowe d
September 25, 2014	Transfer to Sudhir Kangutkar	(48,000)	10	-	Consideration other than cash (Gift)	(0.22)	(0.16)	-
<b>Total (A)</b>		<b>12,367,593*</b>				<b>57.59</b>	<b>40.93</b>	

*\*Out of the 12,367,593 Equity Shares held by Punit Makharia, 10,292,593 equity shares are eligible for minimum promoters contribution. 60,45,000 Equity Shares shall be locked in for a period of three years and the remaining 63,22,593 Equity Shares shall be locked in for a period of one year.*

<b>(B) Gautam Makharia</b>								
April 20, 1993	Subscription to Memorandum of Association	100	10	10.00	Cash	0.0005	0.0003	Owne d funds
May 31, 1995	Further Allotment	20,000	10	10.00	Cash	0.09	0.07	
December 28, 1995	Further Allotment	9,000	10	10.00	Cash	0.04	0.03	
November 20, 1996	Further Allotment	13,600	10	10.00	Cash	0.06	0.05	
December 31, 1996	Transfer from M/s G Gautam Overseas	71,000	10	10.00	Cash	0.33	0.23	
January 25, 1998	Further Allotment	48,867	10	10.00	Cash	0.23	0.16	
March 2, 1998	Further Allotment	210,000	10	10.00	Cash	0.98	0.69	
March 15, 2002	Further Allotment	175,000	10	28.00	Cash	0.81	0.58	
March 31, 2005	Transfer from Bhanu Makharia	65,000	10	10.00	Cash	0.30	0.22	
March 31, 2005	Transfer from Dwarka Securities Private Limited	120,000	10	10.00	Cash	0.56	0.40	
March 29, 2006	Transfer from Kailashchand Makharia	100	10	10.00	Cash	0.0005	0.0003	
March 29, 2006	Transfer from Kailashchand Makharia	100	10	10.00	Cash	0.0005	0.0003	
March 29, 2006	Transfer from Kailashchand Makharia	130,000	10	10.00	Cash	0.61	0.43	
March 29, 2006	Bonus Issue	730,034	10	Nil	Other than cash	3.40	2.42	
March 29, 2006	Further Allotment	713,500	10	10.00	Cash	3.32	2.36	
March 29, 2006	Further Allotment	120,000	10	10.00	Cash	0.56	0.40	
April 20, 2009	Further Allotment	1,902,000	10	10.00	Cash	8.86	6.29	
<b>Total (B)</b>		<b>4,328,301*</b>				<b>20.15</b>	<b>14.32</b>	

*\*All the equity shares held by Gautam Makharia shall be locked in for a period of one year.*





The equity share capital built-up of the selling shareholders (India Enterprise Development Fund) is as given hereunder:

Date of acquisition/ sale	Number of shares	Consideration	Issue / buyback price per equity share of face value of Rs. 10 each	Nature of transaction
May 27, 2009	2,635,542	Cash	26.56	Allotment
December 23, 2009	1,506,024	Cash	26.56	Further allotment
June 30, 2010	941,265	Cash	26.56	
September 17, 2010	94,126	Cash	26.56	
June 23, 2011	470,632	Cash	26.56	
<b>Sub Total (A)</b>	<b>5,647,589</b>			
Less : Sale of Shares				
January 31, 2013	(1,146,000)	Cash	48.00	Buyback of shares by Promoter
August 15, 2014	(200,000)	Cash	45.00	
August 15, 2014	(1,875,000)	Cash	48.00	
<b>Sub Total (B)</b>	<b>(3,221,000)</b>			
<b>Total (A-B)</b>	<b>2,426,589</b>			

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 Equity Share Capital of our Company shall be locked in by our Promoters for a period of three (3) years from the date of Allotment (“minimum Promoters’ contribution”).

The Promoter’s contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consent from our Promoter for the lock-in of 60,45,000 Equity Shares, held by them, for a period of three years from the date of Allotment in the Issue.

The balance pre-Issue Equity Share capital of our Company, *i.e.* 1,30,05,235 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Issue. Equity Shares offered by the Promoters for the minimum Promoter’s contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

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

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue; or equity shares pledged with any creditor.

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 approved under Section 391-394 of the Companies Act, 1956.

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. The details of lock-in shall be included in the Prospectus to be filed with the RoC.

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

In addition to 20% of the post-Issue shareholding of our Company locked-in for three years as the minimum Promoters contribution, the balance Pre-Issue Paid-up Equity Share Capital *i.e.* 1,30,05,235 Equity Shares,



would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

Pursuant to proviso (b) to Regulation 37 of the SEBI ICDR Regulations, Equity Shares held by VCFs or FVCIs for at least one year prior to filing of the Draft Red Herring Prospectus with SEBI would not be subject to the above lock-in. Consequently, 400,000 Equity Shares held by the Selling Shareholder post the Issue shall not be subject to lock-in.

The equity shares issued under Pre-IPO Allotment will be under lock-in for one year from the date of Allotment of the Equity Shares in the Issue.

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

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.

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.

***5. Details of Equity Shares pledged by our Promoters***

3,575,896 Equity Shares held by one of our Promoter, Punit Makharia have been pledged with IEDF towards financial assistance received from them in the form of equity participation, in accordance with the terms and conditions stipulated in the agreements for Pledge of Shares dated April 27, 2009, July 30, 2010 and January 24, 2013 each entered among Punit Makharia, Gautam Makharia, IFCI Venture Capital Funds Limited and our Company. For details of the terms of the said agreements for Pledge of Shares, please refer to the section titled "History and Certain Corporate Matters" beginning on page number 124. The Equity Shares which are pledged as mentioned above do not constitute the minimum Promoter's contribution.



## 6. Shareholding pattern of our Company

(a) The table below represents the shareholding pattern of our Company in accordance with clause 35 of the Listing Agreement:

Category code (I)	Category of shareholder (II)	Pre-Issue						Post-Issue	
		Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	Total number of shares	Total shareholding as a percentage of total number of shares
					As a % of (A+B) (VI)	As a % of (A+B+C) (VII)			
							Number of shares (VIII)	As a % of share holding (IX) = (VIII) / (IV) * 100	
<b>(A) Promoter and Promoter Group</b>									
<b>1</b>	<b>Indian</b>								
(a)	Individuals / Hindu Undivided Family / Nominee of Promoter	6	18,214,170	18,214,170	84.81	84.81	3,575,896	19.63	18,214,170 60.27
-	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>6</b>	<b>18,214,170</b>	<b>18,214,170</b>	<b>84.81</b>	<b>84.81</b>	<b>3,575,896</b>	<b>19.63</b>	<b>18,214,170 60.27</b>
<b>2</b>	<b>Foreign</b>								
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>6</b>	<b>18,214,170</b>	<b>18,214,170</b>	<b>84.81</b>	<b>84.81</b>	<b>3,575,896</b>	<b>19.63</b>	<b>18,214,170 60.27</b>
<b>(B) Public shareholding</b>									
<b>1</b>	<b>Institutions</b>								
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	1	2,426,589	1,955,957	11.30	11.30	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	1,20,05,265 39.73
(f)	Foreign Institutional Investors/ Foreign	-	-	-	-	-	-	-	-



Category code (I)	Category of shareholder (II)	Pre-Issue						Post-Issue		
		Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered		Total number of shares	Total share holding as a percentage of total number of shares
					As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % of share holding (IX) = (VIII) / (IV) * 100		
	Portfolio Investors									
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-		
(j)	Alternative Investment Fund	1	153,847	153,847	0.72	0.72	-	-		
(k)	Any other (specify)	-	-	-	-	-	-	-		
	Sub-Total (B)(1)	2	2,580,436	2,109,804	12.02	12.02	-	-		
2	Non-institutions									
(a)	Bodies Corporate	4	453,848	453,848	2.11	2.11	-	-		
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹100,000.	2	17,108	17,108	0.08	0.08	-	-		
	ii. Individual shareholders holding nominal share capital in excess of ₹100,000.	2	211,262	211,262	0.98	0.98	-	-		
(c)	Any Other (specify)	-	-	-	-	-	-	-		
	Sub-Total (B)(2)	8	682,218	682,218	3.17	3.17	-	-		
	Total Public Shareholding (B) = (B)(1)+(B)(2)	10	3,262,654	2,792,022	15.19	15.19				
	TOTAL (A)+(B)	16	21,476,824	21,006,192	100	100	3,575,896	19.63	1,20,05,265	39.73
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-		
	GRAND TOTAL (A)+(B)+(C)	16	21,476,824	21,006,192	100.00	100.00	3,575,896	19.63	3,02,19,435	100.00

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, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group has been dematerialised prior to filing this Red Herring Prospectus with the RoC.

Our Company will file the shareholding pattern in the form prescribed under clause 35 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.



(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.	Name of the shareholder	Pre-issue										Post-Issue	
		Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of)	Total number of shares	Total shareholding
		No. of Shares held	As a % of grand total (A) + (B) + (C)	No.	As a percentage	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % of total number of warrants of the same class	Number of convertible securities held	As a % of total number of convertible securities of the same class			
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) /	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)		
1.	Punit Makharia	12,367,593	57.59	3,575,896	28.91	17.27	Nil	Nil	Nil	Nil	57.59	12,367,593	40.93
2.	Gautam Makharia	4,328,301	20.15	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20.15	4,328,301	14.32
3.	Aradhan a	353,446	1.65	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.65	353,446	1.17
4.	Bhanu Makharia	432,307	2.01	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.01	432,307	1.43
5.	Gopikish an Makharia	356,831	1.66	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.66	356,831	1.18
6.	Ranjana Makharia	375,692	1.75	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.75	375,692	1.24
<b>TOTAL</b>		<b>84.81</b>	<b>3,575,896</b>	<b>28.91</b>	<b>16.65</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>84.81</b>	<b>18,214,170</b>	<b>60.27</b>	

(\*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

(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:

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A) + (B) + (C)	No.	As a percentage	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % of total number of warrants of the same class	Number of convertible securities held	As a % of total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III)* 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)



1.	IEDF	2,426,589	11.30	Nil	Nil	Nil	Nil	Nil	Nil	Nil	11.30
<b>TOTAL</b>		<b>2,426,589</b>	<b>11.30</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>11.30</b>

\* The term 'encumbrance' has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

Note: Since the allotment of equity shares to be issued in the present IPO is yet to be completed, the above table pertains to pre-issue details.

(d) 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 5% of the total number of shares:

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A) + (B) + (C)	No.	As a percent age	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III)* 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1.	IEDF	2,426,589	11.30	Nil	Nil	Nil	Nil	Nil	Nil	Nil	11.30
<b>TOTAL</b>		<b>2,426,589</b>	<b>11.30</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>11.30</b>

\* The term 'encumbrance' has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

Note: Since the allotment of equity shares to be issued in the present IPO is yet to be completed, the above table pertains to pre-issue details.

(e) There are no Equity Shares against which depository receipts have been issued.

(f) Other than the Equity Shares, there is no other class of securities issued and outstanding by our Company as on the date of this Prospectus.

7. The shareholding pattern of our Promoters and the members of the Promoter Group before and after the Issue is set forth below:

Sr. No	Particulars	Pre Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	<b>Promoters</b>				
	Punit Makharia	12,367,593	57.59	12,367,593	40.93
	Gautam Makharia	4,328,301	20.15	4,328,301	14.32
					0.00
b)	<b>Immediate Relatives of the Promoters</b>				0.00





Sr. No	Particulars	Pre Issue		Post Issue	
	Aradhana Makharia	353,446	1.65	353,446	1.17
	Bhanu Makharia	432,307	2.01	432,307	1.43
	Gopikishan Makharia	356,831	1.66	356,831	1.18
	Ranjana Makharia	375,692	1.75	375,692	1.24
c)	Companies in which 10% or more of the share capital is held by the promoter / an immediate relative of the promoter / a firm or HUF in which the promoter or any one of their immediate relatives is a member	Nil	Nil	Nil	Nil
d)	Companies in which Company mentioned in c. Above holds 10% or more of the share capital	Nil	Nil	Nil	Nil
e)	HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total	Nil	Nil	Nil	Nil
f)	All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as “Shareholding of the promoter group”	Nil	Nil	Nil	Nil
<b>Total</b>		<b>18,214,170</b>	<b>84.81</b>	<b>18,214,170</b>	<b>60.27</b>

8. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Prospectus at a price lower than the Issue price.
10. We do not intend to alter the capital structure by way of split or consolidation of the denomination of Equity Shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement, within a period of six months from the date of opening of the Issue (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) and our business needs additional capital, we may consider raising additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
11. During the past six months immediately preceding the date of filing draft offer document with the Board, 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 Regulation or the directors of the company which is a promoter of the Company and / or the Directors of our Company, except as mentioned below:

Transferor	Transferee	No. Of Equity Shares	Date	Price per share (₹)
IEDF	Punit Makharia	2,00,000	August 15, 2014	45
		18,75,000	August 15, 2014	48
Punit Makharia	Sudhir Kangutkar	48,000	September 25, 2014	Gift

12. The members of our Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company during the six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI
13. Except as disclosed in this Prospectus, our Company, our Promoters, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Prospectus. For details, please refer to chapter titled “History and Certain Corporate Matters” beginning on page number 124.
14. There are no safety net arrangements for this Issue.
15. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the



minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

16. As on the date of filing of this Prospectus with RoC, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
17. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue portion, shall be made on a proportionate basis, except for Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.
18. All the Equity Shares of our Company are fully paid and there are no partly paid up shares as on the date of this Prospectus.
19. The Equity Shares issued pursuant to this Issue shall be fully paid up. Since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
20. As per RBI regulations, OCBs are not allowed to participate in this Issue.

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

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

Sr. No	Name of shareholder	No. of Shares	% of the Issued Capital
1.	Punit Makharia	12,367,593	57.59
2.	Gautam Makharia	4,328,301	20.15
3.	IEDF	2,426,589	11.30
4.	Bhanu Makharia	432,307	2.01
5.	Ranjana Makharia	375,692	1.75
6.	Gopikishan Makharia	356,831	1.66
7.	Aradhana Makharia	353,446	1.65
8.	Any Reddy	153,847	0.72
9.	Net Resources Pvt. Ltd.	153,847	0.72
10.	Unifi Financial Private Ltd.	153,847	0.72
11.	Unifi AIF	153,847	0.72
<b>Total</b>		<b>21,256,147</b>	<b>98.97</b>

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

Sr. No	Name of shareholder	No. of Shares	% of then Issued Capital
1.	Punit Makharia	12,367,593	57.59
2.	Gautam Makharia	4,328,301	20.15
3.	IEDF	2,426,589	11.30
4.	Bhanu Makharia	432,307	2.01
5.	Ranjana Makharia	375,692	1.75
6.	Gopikishan Makharia	356,831	1.66
7.	Aradhana Makharia	353,446	1.65
8.	Any Reddy	153,847	0.72
9.	Net Resources Pvt. Ltd.	153,847	0.72
10.	Unifi Financial Private Ltd.	153,847	0.72
11.	Unifi AIF	153,847	0.72
<b>Total</b>		<b>21,256,147</b>	<b>98.97</b>

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

Sr. No	Name of shareholder	No. of Shares	% of then Issued Capital
1	Mr. Punit Makharia	1,03,40,593	49.94
2	Mr. Gautam Makharia	43,28,301	20.90
3	M/S. India Enterprise Development Fund	45,01,589	21.74
4	Ms. Bhanu Makharia	4,32,307	2.09
5	Mr. Ranjana Makharia	3,75,692	1.81
6	Mr. Gopi Kishan Makharia	3,56,831	1.72
7	Ms. Aradhana Makharia	3,53,446	1.71
8	Mr. Sanjay Kumar Paharia	9,415	0.05
9	Mr. Sudhir Kangutkar	9,415	0.05
<b>Total</b>		<b>20,707,589</b>	<b>100.00</b>

22. Our Company has not raised any bridge loan against the proceeds of the Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Proceeds of the Issue.
23. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
24. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
25. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
26. 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 issue.
27. We have 42 shareholders as on the date of filing of this Prospectus.
28. Our Promoters and the members of our Promoter Group will not participate in this Issue.
29. Our Company has not made any public issue since its incorporation.
30. Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus.
31. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus with SEBI and the Bid / Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.



## OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue and an Offer for Sale.

### The proceeds of the Offer for Sale

The funds from the Offer for Sale shall be received by the Selling Shareholder and our Company shall not receive any proceeds from the Offer for Sale.

### Objects of the Fresh Issue

We intend to utilize the Issue Proceeds for the following objects:

1. Acquisition of an existing factory within MIDC Industrial Area Lote-Parshuram bearing no. B-97 (“**Object 1**”)
2. Setting up of facilities at B-97 for manufacture of: (“**Object 2**”):
  - i. Reactive Dyes with a capacity of 3,000 TPA
  - ii. H-Acid with a capacity of 750 TPA
  - iii. Vinyl Sulphone (VS) Ester with a capacity of 1,000 TPA
3. Setting up of additional effluent treatment plant at the existing facility (Unit I) to make the unit a “Zero Discharge” unit. (“**Object 3**”)
4. Construction of additional Godown(s) at our existing facility (Unit II) for meeting the additional storage requirements for finished goods. (“**Object 4**”)
5. General corporate purposes; and
6. To meet the preliminary & pre-operative and Issue expenses.

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers.

The objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. For further details on the main objects clause set out in our Memorandum of Association, please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page number 124.

### Requirement of funds and Means of Finance

The details of requirements of funds and means of finance are as under:

Sl No.	Description	Amount (₹ in mn)
1	Acquisition of an existing factory within MIDC Industrial Area Lote-Parshuram bearing no. B-97	22.90
2	Setting up of facilities at B-97 for manufacture of :	
	i. Reactive Dyes with a capacity of 3000 TPA	415.94
	ii. H-Acid with a capacity of 750 TPA	
	iii. Vinyl Sulphone (VS) Ester with a capacity of 1,000 TPA	
3	Setting up of additional effluent treatment plant at the existing facility (Unit I) to make the unit a “Zero Discharge” unit	48.79
4	Construction of additional Godown(s) at our existing facility (Unit II) for meeting the additional storage requirements for finished goods.	23.76
5	General Corporate Purposes	40.00
6	Preliminary & Pre-operative and Issue expenses	70.00
	<b>Total</b>	<b>621.39</b>

**Means of Finance**

Sl No.	Description	Amount (₹ in mn)
1	Proceeds of the Issue	568.27
2	Pre-IPO Allotment	50.00
3	Internal accruals	3.12
	<b>Total</b>	<b>621.39</b>

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

The estimates of costs and fund requirement as described above are based on the quotations received by us and management estimates and is not appraised by any bank or financial institution. We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from the fund requirements mentioned below, at the discretion of our management, subject to compliance of applicable law.

The estimates of costs and fund requirement as described above are based on the quotations received by us and management estimates. We have received quotations from various suppliers but have not placed any orders as on the date of this RHP. As some of the quotations received are valid up to period mentioned in the respective quotations, we may need to obtain fresh quotation before placing the firm order. In addition, the machineries and other equipments can be purchased from the suppliers other than those suppliers whose names have not been mentioned in this chapter. Hence the actual cost may vary.

The entities from whom the quotations have been obtained are in no manner related to our Company or the Promoters of our Company.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into debt arrangements as required. Accordingly, the Proceeds of the Issue would be used to meet all or any of the uses of the funds described herein.

Any variation in the objects of the Issue shall be undertaken in accordance with the terms of SEBI ICDR Regulations and Companies Act, 2013 and the rules framed thereunder.

**Cost of the Project**

					₹ in millions
Particulars	Object 1	Object 2	Object 3	Object 4	Total
Factory premise	22.90	-	-	-	22.90
Site Development	-	6.20	-	-	6.20
Factory Building	-	64.93	6.42	21.60	92.95
Plant & Machinery	-	288.60	37.93	-	326.53
Misc. Fixed Assets	-	18.40	-	-	18.40
Contingency @ 10.0%	-	37.81	4.44	2.16	44.41
<b>Sub-total (A)</b>	<b>22.90</b>	<b>415.94</b>	<b>48.79</b>	<b>23.76</b>	<b>511.39</b>
Preliminary & Pre-operative and Issue Expenses		70.00			70.00
<b>Total</b>					<b>581.39</b>

**Details of the objects of the Issue****1. Acquisition of an existing factory within MIDC Industrial Area Lote-Parshuram bearing no. B-97**

Our Company proposes to utilize an amount of ₹ 22.90 mln to acquire an existing factory within MIDC Industrial Area, Lote Parshuram. The said factory premise is less than a kilometre away from our existing facilities i.e., Unit I and Unit II. The total plot area at the factory is 12,000 sq. mtr and the built up area is 3,060.72 sq. mtrs which comprises of factory building and other auxiliary structure. In addition, the said unit also has an underground water storage tank of 45 cubic mtrs and a power sub-station with transformer and HT side sub-station of 750 KVA already installed. The total acquisition cost of the property is thus estimated as under:

Particulars	Amount (₹ in mln)
Purchase cost of Property at B-97	18.23
Transfer charges to be paid to MIDC	4.37
Stamp duty & Registration charges	0.30
<b>Total</b>	<b>22.90</b>

Our Company has acquired an existing factory comprising a plot of land admeasuring 12,000 sq mtrs along with constructed factory buildings with the built up area is 3060.72 sq mtrs. The sale deed for purchase of land has been executed and the plot has already been transferred in our name in the records of MIDC.

The location of the proposed Unit III would not only benefit us by saving the time for supplying the raw materials like Sulphuric Acid and Spent Acid from Unit I but also provides a better grip to our management to keep a track on the business operations at Unit I, Unit II and Unit III.

The said acquisition will provide us the required space for adding new facility for Reactive Dyes with a capacity of 3000 TPA. In addition, we propose to expand the existing capacities of H-Acid and Vinyl Sulphone by 750 TPA and 1000 TPA respectively.

**2. Setting up of new plants at B-97 for manufacture of:**

- i. Reactive Dyes with a capacity of 3,000 TPA
- ii. H-Acid with a capacity of 750 TPA
- iii. Vinyl Sulphone (VS) Ester with a capacity of 1000 TPA

**Site Development**

We propose to undertake the repairs and renovation of boundary walls, internal roads, among others at the proposed factory premise B-97 at an estimated cost of ₹ 6.20 mn for which the contractors have already been engaged. The details of the expenses to be incurred on the site development based on the quotations dated August 11, 2014 received from M/s S.A. Makubhai Contractors & Engineers are as under:

Item	Amount (₹ in mn)
Repair renovation of Boundary wall & Gates including painting	0.80
Asphalting / Concretizing of Internal Roads	2.88
Storm Water Drainage & Rainwater harvesting	1.00
Filling Leveling & Landscaping	1.50
<b>Total (rounded off)</b>	<b>6.20</b>



**Building**

In order to accommodate the proposed equipments for Reactive Dyes, H-acid and Vinyl Sulphone plants, we propose an estimated total cost of ₹ 64.93 mn towards constructing new factory building and for repairs and renovation of the existing building structure. The estimates of cost are based on the quotations dated August 11, 2014 received from M/s S.A. Makubhai Contractors & Engineers. The details of the same are as under:

Particulars	Amount (₹ in mn)
Building renovation/ construction	12.05
New Building construction	47.04
General Electrification	3.65
Architect fees	2.19
<b>Total</b>	<b>64.93</b>

The detailed break-up of estimated cost of building is as follows:

**Existing Building at B-97**

Description	Area (Sq. Mts.)	Repair / Renovation Cost (₹/sq.Mt.)	Cost (₹ in mn)
<b>A. Main Plant Building:</b>			
QC Lab & Finished goods Store at Ground Floor	240.00		
Ground Floor	855.94		
First Floor	545.44		
Second Floor	422.38	2,063.76	5,000.00
			10.32
			-
<b>RM &amp; General Store</b>	<b>144.00</b>	<b>2,000.00</b>	<b>0.29</b>
<b>Utility Building:</b>			
Boiler room	146		-
coal Yard & storage shed	80.3		-
Coal crushing room	36.5		-
Electrical MCC Room	36.5		-
LT Panel room	29.2		-
Metering room	15.4		-
DG room	15.4	359.00	2,000.00
			0.72
<b>B. Other structures</b>			
Plinth Area of Open Structure	132.29		-
Office	142.30	2,000.00	0.29
Gate office & pantry room	21.00	2,000.00	0.04
Cycle stand	29.00	2,000.00	0.06
Change room & Toilet Block	70.00	2,000.00	0.14
Security staff quarters	99.37	2,000.00	0.20
	<b>3,060.72</b>		<b>12.05</b>

**New factory building**

Description	Area (Sq. Mts.)	Repair / Renovation Cost (₹/sq.Mt.)	Cost (₹ in mn)
<b>a. Spray drying plant building for Dyes</b>			
(Modification to existing building by raising the plant height to 3 floors)	110.00	12,000.00	3.96
<b>b. H-Acid plant building (3 floors)</b>	200.00	12,000.00	7.20
<b>c. Vinyl Sulphone Plant Building</b>			10.37
3 floors of 288 sq. Mts each	288.00	12,000.00	
<b>d. Acetanalide Plant Building</b>			2.16
3 floors of 5 mts. Height & area of 60 sq. Mts each.	60.00	12,000.00	
<b>e. General purpose RM Godown</b>	2000	10,000.00	20.00
<b>f. Packing Department &amp; Finished Goods Store</b>	150	10,000.00	1.50
<b>g. Effluent Treatment Plant</b>	100.00	6,000.00	0.60
<b>h. Underground water tank</b>	50.00 cu.mtr	25,000.00	1.25
			<b>47.04</b>

**General Electrification**

We propose to utilize ₹ 3.65 mn towards general electrification of the factory which includes street lighting.

**Architect fees**

An amount of ₹ 2.19 mn has been provided towards architect fees for providing detailed civil designs for B-97 @ 3% including cost towards repairs and renovation of the existing structures.

**Plant and Machinery**

We propose to utilise ₹ 288.60 mn towards installation of new machinery at the proposed factory premise B-97. The estimated cost breakup is as under:

Particulars	Amount (₹ in mn)
Reactive Dyes	118.21
H-Acid	68.91
Vinyl Sulphone	47.53
General utilities	39.04
Tank farm	14.91
<b>Total</b>	<b>288.60</b>

The detailed break-up of the above costs is as under:

**Reactive Dyes**

Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost(₹ in mn)
1	Di-azotization vessels MSRL Vessel 50000 ltrs	3	50	MOVA Engg. Works.	11-Sep-14	1.76		1.76	5.28
2	Coupler Vessel MSRL Vessel 35000 ltrs	6	35	MOVA Engg. Works.	11-Sep-14	1.52		1.52	9.12



Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost(₹ in mn)
3	MSRL vessel 15000 ltrs	3	15	MOVA Engg. Works.	11-Sep-14	0.48		0.48	1.44
4	Glass lined Reactor 5000 lit. Capacity	1	5					5.50	5.50
5	Salting Vessel	3	15	MOVA Engg. Works.	11-Sep-14	0.50		0.50	1.49
6	Fully Automatic Filter Press HDPE with PP Plates	3	48" x 48" x 48 plates	Nirmal Poly Plast Industries	1-Jul-14	1.35	0.20	1.55	4.64
7	Discharge Hopper, belt conveyor & 70avourable70 for above	3						1.00	3.00
8	Triple Effect evaporator 1.5 M <sup>3</sup> /Hr.	3	1500 lit/Hr. Evap.	Siddhi Vinayak Engg.	8-Feb-14	5.48		5.48	16.44
9	Day tanks of 70avoura capacities	8	2	MOVA Engg. Works.	11-Sep-14	0.08		0.08	0.66
10	HCl storage tanks PVC 5000 lit.	3	50	Spiroweld		0.45	0.05	0.50	1.49
11	HCl storage tanks PVC 20000 lit.	1	20 KL	Spiroweld		0.20	0.03	0.23	0.23
12	Sulphuric Acid storage tanks 10000 lit.	1	10	MOVA Engg. Works.	11-Sep-14	0.27		0.27	0.27
13	Acid pumps 5M3cap/20MtrHead	2						0.10	0.20
<b>Packing Line</b>									
14	SS Ribbon Blender with Sieve	2	8' x 4' x 4.5'	Laxmi EN – Fab P.Ltd.	10-Sep-14			0.41	0.82
15	Automatic packing plant.	2		C. J. Industries	11-Sep-14	0.45	0.30	0.75	1.50
16	Vertical stitching machine with 3 Mtr length slat conveyor	2		BAGSEW		0.15		0.15	0.31
<b>Spray Drying system</b>									
17	Spray Dryer Capacity 12000 lit.	1		Raheja Ecotech	5-Sep-14	12.19		12.19	12.19
18	MS or PP Holding tank for Spray Dryer 50,000 ltrs	3	50 KL	Spiroweld		0.45	0.05	0.50	1.49
19	Fluidised Bed indirect coal fired hot air generator	1	3.00 mn K.Cal/ Hr	Raheja EcoTech	5-Sep-14	7.86		7.86	7.86
<b>Technical know-how fees</b>									3.00
<b>Effluent Treatment</b>									
1	UG Effluent Treatment tanks (Acid Brick lined)	4							0.80
2	Fully Automatic Filter Press HDPE with PP Plates	2	48" x 48" x 48 plates	Nirmal Poly Plast Industries	1-Jul-14	1.35	0.20	1.55	3.10
3	Triple Effect evaporator 1.5 M <sup>3</sup> /Hr.	2	1500 lit/Hr. Evap.	Raheja Ecotech Pvt. Ltd.	8-Feb-14	5.54		5.54	11.08
4	Agitated thin film Dryer	1		Raheja Ecotech Pvt. Ltd.	5-Sep-14	3.77	0.25	4.02	4.02
5	Chimney 15 Meter height rested on dust collecting.	LS							0.30
6	Pipe line & insulation	LS						1.50	1.50
7	Transfer Pumps	3	15						0.05
8	Scrubbers with Vertical PP glandless pumps 10M3per hour/ 20 mtr head.	1	10						0.50
9	Sludge pitt	1	civil						0.20



Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost (₹ in mn)
10	Aeration system with Blowers								0.25
									<b>98.74</b>
	Add Taxes								19.47
	<b>Total</b>								<b>118.21</b>

H- Acid

Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost (₹ in mn)
1	CI Sulfonators with Jacket, Agitator & Gear Box.	3	12	Isgec Heavy Engineering Ltd.	24-Aug-14	2.92	0.15	3.07	9.21
2	SS Nitrator with Jacket, Agitator & Gear Box.	1	15	MOVA Engg. Works.	11-Sep-14	1.87	-	1.87	1.87
3	MSRL Tile lined Neautraliser reaction Vessel with gear box & drive.	2	40	MOVA Engg. Works.	11-Sep-14	1.00	-	1.00	2.00
4	Lime Slurry Vessel with Agitator & Gear Box.	1	12	MOVA Engg. Works.	11-Sep-14	0.55	-	0.55	0.55
5	Nutche Filter Assembly along with required Vaccum Pumps and other Accessories.	2	50	MOVA Engg. Works.	11-Sep-14	0.85	-	0.85	1.70
6	Nitro Mass Holding Tank, MS.	2	30	MOVA Engg. Works.	11-Sep-14	0.55	-	0.55	1.10
7	Reduction Vessel MSRL Tile lined with gear box & drive.	1	15	MOVA Engg. Works.	11-Sep-14	0.62		0.62	0.62
8	Fully Automatic Filter Press HDPE with PP Plates	2	48" x 48" x 48 plates	Nirmal Poly Plast Industries	1-Jul-14	1.35	0.20	1.55	3.10
	Nutche Filter Assembly along with Accessories.	2	20	Spiroweld		0.17	0.23	0.39	0.78
9	MS RL Centrifuge	6	48"	Ace Industries	30-Jun-14	0.65		0.65	3.90
10	Fusion Autoclave.	1	12	Rakesh Engg. Works	24-Aug-14	2.65	0.15	2.80	2.80
11	MSRL Tile lined Isolation Vessel with gear box & drive,	1	40	MOVA Engg. Works.	11-Sep-14	1.00	-	1.00	1.00
12	Amino Mass Holding Tank, MS.	2	30	MOVA Engg. Works.	11-Sep-14	0.55	-	0.55	1.10
13	Amino Concentration Tank with Jacket, Agitator & Gear Box with SS Coil.	2	6	MOVA Engg. Works.	11-Sep-14	1.26	-	1.26	2.52



Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost (₹ in mn)
14	SS Methanol Recovery unit (Condensor with hold up tank)	1	350 Lit/ Hr.	-	-	1.50	-	1.50	1.50
15	Vacume pump With receiver	4	15 HP	Shree Bhagwati Industries	-	0.07	0.20	0.27	1.08
16	Spin Flash Dryer, 60 Kgs/ Hr	1	100 lit/Hr. Evap.	Raheja EcoTech P. Ltd.	5-Sep-14	7.80	-	7.80	7.80
17	Multi effect evaporator with all accessories	1	1500 lit/Hr. Evap.	Raheja EcoTech P. Ltd.	5-Sep-14	4.67	-	4.67	4.67
18	Measuring Tanks	12	Various cap.	-				0.02	0.18
19	Scrubbers for Nox and SO2, HDPE along with required tanks and Pumps.	4	-					0.25	1.00
20	Chilling Plant (VAM) Complete with required Accessories.	1	200 TR	Thermax	1-Sep-14	4.79	2.71	7.50	7.50
21	Chilled water circulation tank	2	20.00	MOVA Engg. Works.	11-Sep-14	0.39		0.39	0.78
22	Cooling Tower	2	100 TR	Canara Engineers P.L.	25-Aug-14	0.20	0.20	0.40	0.80
									57.56
Add Taxes		19.72%							
Total		11.35							
									68.91

Vinyl Sulphone (VS)

Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost (₹ in mn)
1	CI Sulfonator with MS Jacket with Agitator & Gear Box.	3	12	Isgec Heavy Engineering Ltd.	24-Aug-14	2.92	0.15	3.07	9.21
2	Dumping Vessel with agitator & gear box with ice crusher	1	6	MOVA Engg. Works.	11-Sep-14	0.42	-	0.42	0.42
3	Filtration Nutches, HDPE with PP Plates	3	20	Spiroweld		0.17	0.23	0.39	1.17
4	Reduction Vessel, MS Brick Lined, SS Coil with Agitator & Gear Box.	1	30	MOVA Engg. Works.	11-Sep-14	1.14		1.14	1.14
5	Carbon Vessel, MS with Agitator &	1	30					1.35	1.35



Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost (₹ in mn)
Gear Box.									
6	Fully Automatic Filter Press HDPE with PP Plates	1	48" x 48" x 48 plates	Nirmal Poly Plast Industries	1-Jul-14	1.35	0.20	1.55	1.55
7	Ethoxylation Weighing Scale.	1						0.02	0.02
8	Ethoxylation Vessel, SS Cladded with MS Jacket with Agitator & Gear Box.	1	40	MOVA Engg. Works.	11-Sep-14	1.52		1.52	1.52
9	Filtration Nutches, MS with MS perforated Plates	2	20	MOVA Engg. Works.	11-Sep-14	0.40		0.40	0.80
10	Centrifuges, 48", MS Rubber Lined	3	48"	Ace Industries	30-Jun-14	0.65		0.65	1.95
11	Flash Dryer, SS,	1	60 Kgs/Hr	Siddhi Vinayak Engg.	8-Feb-14	2.65	0.58	3.23	3.23
12	Esterification Vessel, SS with MS Jacket with Agitator & Gear Box. 1000 Kgs. Batch size	2	12	MOVA Engg. Works.	11-Sep-14	2.22		2.22	4.44
13	Acetic Acid Recovery Condenser, Carbon block	1	10 M Sq.					0.75	0.75
14	Pulveriser	2	600 Kgs/Hr.	Laxmi EN -Fab P.Ltd.	10-Sep-14	0.71	0.03	0.74	1.48
15	Scrubbing for HCl and SO2, HDPE along with required tanks and Pumps.	2	HDPE /PP					0.25	0.50
16	Measuring Tank, MS with Level Indicators, 2000 Lts.	5	Various sizes	MOVA Engg. Works.	11-Sep-14	0.40		0.40	2.01
<b>Acetanalide Plant</b>									
1	SS Reaction kettle with MS Jacket with Agitator & Gear Box. With limped coils	2	8	MOVA Engg. Works.	11-Sep-14	1.83		1.83	3.66
2	Measuring Tank, SS with Level	1	1	MOVA Engg. Works.	11-Sep-14	0.12		0.12	0.12



Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost (₹ in mn)
Indicators									
3	Distillation Coloumn & Condenser 15 sq.Mt. for the above vessel along with packings etc.	1	Lot					0.41	0.41
4	Small Receivers	1	0.5	MOVA Engg. Works.	11-Sep-14	0.07		0.07	0.07
5	Big Receivers	1	5	MOVA Engg. Works.	11-Sep-14	0.36		0.36	0.36
6	Cooling Tower	2	100 TR	Canara Engineers P.L.	25-Aug-14	0.16	0.20	0.36	0.72
7	Piping, All in SS 316.	lott						2.00	2.00
8	Valves & Other Accessories, SS 316.	lott						0.30	0.30
9	VaccumPump arrangement for AA Recovery along with Receivers etc.	1	15 HP, 1440	Shree Bhagwati Industries		0.25	0.30	0.55	0.55
									39.70
Add Taxes		19.72 %							7.83
Total									47.53

General Utilities

Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost(₹ in mn)
1	Electrical transformer 500 KVA	1	500 KVA	Telawne Power Equipments P. Ltd.		0.47	0.04	0.50	0.50
2	Diesel Generating Set 250 kVA	1	250 KVA	Powerica	26-Aug-14	1.80	0.20	2.00	2.00
3	Laboratory & Testing Instruments	Lott							2.50
4	IBR Boiler coal fired with Chimney and other Accessories.	1	6T/ Hr. Capacity	Alankar Boilers & Pressure Vessels P.Ltd.	31-Aug-14	3.45	5.50	8.95	8.95
5	Water treatment plant	1		- do -		0.75		0.75	0.75
6	Thermo pack – oil heating system with oil filter, coal fired with chimney,	1	20 HP, 6 lac kcal/ hr.						2.00
7	Coal Crusher with dust collector	1	1.5 T/ Hr.	Shri Siddhivinayak Industries	15-Sep-14	0.11		0.11	0.11
8	Air Compressors with Air Receiver	1	15 HP	Horizon Airtech	25-Aug-14	0.30		0.30	0.30





Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost(₹ in mn)
	Tank.								
9	Pipe line & Valves	Lott							3.00
10	Insulation	Lott							1.00
11	Instrumentation	Lott							2.50
12	Electrification including Electrical Sub- station of 500 KVA	Lott							3.00
13	Errection & Commissioning	Lott							3.00
14	Material Handling Equipments	Lott							1.50
15	M/c Foundation	Lott							1.50
									<b>32.61</b>
	Add Taxes	19.72%							6.43
	<b>Total</b>								<b>39.04</b>

Tank farm

Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost(₹ in mn)
	Day tanks of various capacities	10				0.05		0.05	0.50
i	Sulphuric Acid	1	50	MOVA Engg. Works.	11-Sep-14	1.22		1.22	1.22
ii	Oleum	1	20	MOVA Engg. Works.	11-Sep-14	0.50		0.50	0.50
iii	Chloro Sulphonic Acid	1	50	MOVA Engg. Works.	11-Sep-14	2.66		2.66	2.66
iv	Spent Acid	1	80	MOVA Engg. Works.	11-Sep-14	2.80		2.80	2.80
v	Nitric Acid	1	20	MOVA Engg. Works.	11-Sep-14	1.34		1.34	1.34
vi	Thyonil Chloride	1	25	MOVA Engg. Works.	11-Sep-14	1.60		1.60	1.60
vii	Acetic Acid Storage Tank, HDPE	1	5	Spiroweld		0.10	0.01	0.11	0.11
viii	Hydro Chloric Acid Storage Tank, HDPE	2	20	Spiroweld		0.20	0.03	0.23	0.45
ix	Caustic Lye	1	30	MOVA Engg. Works.	11-Sep-14	0.73		0.73	0.73
x	Aniline	1	10	MOVA Engg. Works.	11-Sep-14	0.27		0.27	0.27
xi	Ethylene Oxide	1	10	MOVA Engg. Works.	11-Sep-14	0.27		0.27	0.27
									<b>12.45</b>
	Add Taxes	19.72%							2.46
	<b>Total</b>								<b>14.91</b>

**Miscellaneous Fixed Assets**

We intend to utilise ₹ 18.40 mn at our proposed Unit III towards possessing miscellaneous fixed assets which include furniture & fixtures, transport vehicle(s), office equipments, computers among others.

**3. Setting up of additional effluent treatment plant at the existing facility (Unit I) to make the unit a “Zero Discharge” unit****Building**

We propose to utilise ₹ 6.42 mn towards construction of ETP and spray drying buildings. The cost estimates based on the quotations dated August 11, 2014 as provided by M/s S.A. Makubhai Contractors & Engineers are as under:

Plant Description	Area (Sq. Mts.)	Repair / Renovation Cost (₹/sq.Mt.)	Cost (₹ in mn)
Additional ETP building	65.00 Sq. Mts.	8,000.00	0.52
Additional Spray drying Building (3 floors)	150.00 Sq. Mts.	12,000.00	5.40
General Electrification			0.30
Architect's fee			0.20
<b>Total</b>			<b>6.42</b>

**Plant & Machinery**

We propose to utilise ₹ 37.93 mn towards installation of effluent treatment plant at our existing Unit I facility

Sr. No.	Item Description	Qty.	Cap. KL.	Name of Supplier	Quotation No. & date	Basic Cost	Additions/ Attachments	Rate	Cost
1	Spray Dryer Capacity 12000 lit.	1	30	Raheja Ecotech	5-Sep-14	12.19		12.19	12.19
2	Fluidised Bed indirect coal fired hot air generator	1	3.0 mn K.Cal/ Hr	Raheja EcoTech	5-Sep-14	7.86		7.86	7.86
3	MS or PP Holding tank for Spray Dryer 50,000 ltrs	1	50 KL	Spiroweld		0.45	0.05	0.50	0.50
4	Pipe line & insulation	1						1.50	1.50
5	UG Effluent Treatment tanks (Acid Brick lined)	4							0.80
6	Fully Automatic Filter Press HDPE with PP Plates	1	48" x 48" plates	Nirmal Poly Plast Industries	1-Jul-14	1.35	0.20	1.55	1.55
7	Triple Effect evaporator 1.5 M <sup>3</sup> / Hr.	1	1500 lit/Hr. Evap.	Raheja EcoTech.	8-Feb-14	5.54		5.54	5.54
8	Dust collection system with Chimney 15 Meter height for	1		MOVA Engg. Works.	11-Sep-14	0.96	0.04	1.00	1.00
9	Transfer Pumps	3	15 HP						0.05
10	Vertical PP glandless pumps for scrubbers	3	10M3per hour/ 20 mtr head.						0.50
11	Sludge pitt	1	civil work						0.20
									<b>31.68</b>
	Add Taxes	19.72%							<b>6.25</b>
	<b>Total</b>								<b>37.93</b>



#### 4. Construction of additional Godown(s) at our existing facility (Unit II) for meeting the additional storage requirements for finished goods

In view of the proposed expansion in business operations, we intend to utilise ₹ 21.60 mn towards construction of an additional godown at Unit II to meet our storage requirements. The cost estimates based on the quotations dated August 11, 2014 as provided by M/s S.A. Makubhai Contractors & Engineers are as under:

Description	Area (Sq. Mts.)	Cost (₹/sq.Mt.)	Cost (₹ in mn)
Additional Godowns at Plot D-25	2000 Sq. Mts.	10,000.00	20.00
General Electrification			1.00
Architect's fee			0.60
<b>Total</b>			<b>21.60</b>

#### 5. General Corporate Purposes

The proceeds of the Issue will be first utilized towards the aforesaid defined items and the balance is proposed to be utilized for general corporate purposes including but not restricted to, future growth requirements, strategic initiatives, renovation of existing office premise(s), acquisition of new office premise and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by our Board.

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

#### 6. Preliminary & Pre-operative expenses and issue expenses

We intend to utilise ₹ 70.00 mn towards preliminary & pre-operative expenses which include establishment expenses, trail run losses, Issue expenses among others. The estimated Issue related expenses are as follows:

Particulars	Amount* (₹ in mn)	As a percentage of total expenses	As a percentage of Issue size
Fees to intermediaries (BRLM, Registrar, Advisors, Bankers to the Issue, Underwriting commission, brokerage and selling commission**)	38.10	54.43	5.44
Advertising, travelling and marketing expenses	8.00	11.43	1.14
Printing and distribution expenses	6.85	9.79	0.98
Statutory, Preliminary, Pre-operative and other miscellaneous expenses	17.05	24.36	2.44
<b>Total</b>	<b>70.00</b>	<b>100.00</b>	<b>10.00</b>

\*\* Including commission to the SCSBs for ASBA applications and processing fees of ₹ 10 to SCSBs for processing the Bid cum Application Forms procured by the Syndicate from ASBA Bidders in the Specified Cities and submitted to the SCSBs.

In case of business requirements, required funds will be deployed out of internal accruals towards the "Objects of the Issue" and the same will be recouped from the proceeds of the Issue.

#### Schedule of Implementation

Particulars	Month/ Year of Commencement	Month/ Year of Completion
Land	Completed	
Site development	Already commenced	July 2015
Factory building	Already commenced	October 2015
Plant & Machinery	Already commenced	May 2016



Particulars	Month/ Year of Commencement	Month/ Year of Completion
Trail runs	November 2015	May 2016
Commencement of commercial production *	December 2015	-

\* The 3 plants are to be commissioned progressively one after the other commencing from December 2015 onwards

#### Year wise break-up of proceeds to be used

We intend to utilize the entire proceeds of the issue as under:

(₹ In million)

Particulars	2014-15	2015-16	Total
Acquisition of existing factory at B-97	22.10	0.80	22.90
Setting of facilities at B-97	49.63	366.29	415.92
Setting up of Effluent Treatment Plant at Unit –I	-	48.79	48.79
Construction of godowns at Unit – II	6.92	16.84	23.76
General Corporate Purposes	-	40.00	40.00
Preliminary, pre-operative and Issue expenses	10.34	59.66	70.00

#### Funds deployed till date

The details of the amount spent by our Company as of July 31, 2015 towards the “Objects of the Issue” and as certified by our Statutory Auditors, M/s Jajodia and Company, Chartered Accountants, vide certificate dated August 01, 2015 are provided in the table below:

Particulars	Amount (₹ in mn)
<b>Funds Deployed</b>	
Acquisition of existing factory at B-97, Lote Parshuram	22.10
Construction of Godown(s) at Unit II	12.58
Amount Spent for Purchase/Fabrication of Dyes Plant at B-97, Lote Parsahuram	71.59
Preliminary & Pre-operative and Issue expenses	11.25
<b>Total</b>	<b>117.52</b>
<b>Sources of Funds</b>	
Internal Accruals	117.52

#### Interim use of proceeds

The Company, in accordance with the policies established by its Board of Directors from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to temporarily deposit funds in the Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

#### Appraisal

None of the Objects of the Issue have been appraised by an bank or financial institution.

#### Bridge Financing Facilities

We have not availed any bridge financing facilities for the Objects of the Issue.



### **Monitoring of Utilisation of Funds**

Under the Regulation 16 of the SEBI ICDR Regulations, an issuer is required to appoint a monitoring agency if the issue size exceeds ₹ 5,000 million. Since the Issue will be for less than ₹ 5,000 million we are not required to appoint a monitoring agency. However, the Audit Committee of our Company will monitor the utilization of the Issue Proceeds, as per the Clause 49 of the Equity Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements.

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

### **Variation in Objects**

In accordance with section 27 of the Companies Act, 2013, read with Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the registered office of our Company is situated. The shareholders who do not agree to the above stated proposal, our Promoters have undertaken to provide an exit opportunity to such shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other confirmations**

Our Company will not pay any part of the Proceeds of the Issue as consideration to our Promoter, Directors, Key Managerial Personnel and Group Company of our Promoters.

For risks associated with respect to the objects of this Issue, please refer to the section titled ‘*Risk Factors*’ beginning on page number 13.



## BASIS FOR ISSUE PRICE

The Issue Price of ₹ 65/- has been determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 6.5 times the face value.

Investors should also refer to the sections/chapters titled “*Our Business*”, “*Risk Factors*” and “*Financial Information*” beginning on page numbers 103, 13 and 152, respectively, to have an informed view before making an investment decision.

### Qualitative factors

- We are one of the few integrated manufacturers of wide range of Dye Intermediates in India;
- We are one of the ‘zero waste’ manufacturer in the Dye Intermediates Industry in India;
- Strategic location of our facilities reduces time and costs overruns;
- We have a strong marketing and distribution network;
- Our products are catered to consumers from diverse sectors and industries;
- We have experienced management and key management personnel.

For further details, please refer to chapter titled “*Our Business*” beginning on page number 103.

### Quantitative factors

The information presented below relating to our Company is based on the restated financial statements as of and for the financial years ended March 31, 2013, 2014 and 2015, prepared in accordance with Indian GAAP and the Companies Act, 1956 and the Companies Act, 2013 and restated in accordance with the SEBI Regulations. For further details, please refer to section titled “*Financial Information*” beginning on page number 152.

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

#### 1. Basic and Diluted Earnings Per Share (“EPS”)

Period	Basic and Diluted	
	EPS (in ₹)	Weight
FY 2013	3.50	1
FY 2014	5.04	2
FY 2015	9.01	3
<b>Weighted Average EPS</b>	<b>6.77</b>	

#### 2. Price/Earning (P/E) ratio in relation to Issue Price of ₹ 65 per Equity Share of ₹ 10 each

- P/E based on the weighted average EPS at the Issue Price is 9.60 times.
- P/E based on basic and diluted EPS as per our restated financial statements for year ended March 31, 2015 at the Issue Price is 7.21 times.

### Industry P/E

We manufacture products in 4 major verticals viz., Dye Intermediates, Acid Complex (comprising sulphuric and its derivative acids), Cattle Feed Supplement and Fertilizers (Single Super Phosphate & Soil Conditioner). There is no listed company which is exactly comparable having a similar business model as that of us.

However, companies like Kiri Industries Limited, Bodal Chemicals Limited, Bhageria Dye Chem Ltd. dealing in Dye Intermediates & Acids and Aarti Industries Limited, Atul Limited, Vinati Organics Limited dealing in Speciality Chemicals are some of the listed companies which manufacture some of the products of our 4 verticals. Though they are not directly comparable, the data relating to these companies is made available at point no. 6 under “Comparison with Industry Peers” of this Chapter.

**3. Return on Net Worth (“RoNW”)**

Year ended	RoNW	Weight
March 31, 2013	13.63%	1
March 31, 2014	16.41%	2
March 31, 2015	21.15%	3
<b>Weighted Average</b>	<b>18.32%</b>	

**4. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2015**

<b>At the Issue Price of ₹ 65 per Equity Share</b>	17.81 %
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**5. Net Asset Value (“NAV”) per Equity Share of face value ₹ 10 each**

Year ended	NAV (in ₹)	Weight
March 31, 2013	25.67	1
March 31, 2014	30.71	2
March 31, 2015	42.57	3
<b>Weighted Average</b>	<b>35.80</b>	

**6. Comparison with Industry Peers**

Particulars	FV per equity share (₹)	Net Sales/ Net Revenue from Operations (₹ in mn)	PAT/ Profit for the Year (₹ in mn)	EPS (₹)	NAV per share (₹)	RoNW (%)	P/E
Shree Pushkar Chemicals and Fertilisers Limited	10	2,665.20	186.50	9.01	42.57	21.15%	7.21 *
<b>Peer Group</b>							
<b>Dye Intermediates &amp; Acids</b>							
Kiri Industries Limited	10	7618.1	(368.64)	(17.75)	73.06	(22.20)	(6.83)
Bodal Chemicals Limited	2	10,358.0	920.17	8.43	17.03	49.52	4.40
Bhageria Dye Chem Ltd.	10	4,123.8	366.06	45.97	84.14	54.64	3.43
<b>Speciality Chemicals</b>							
Aarti Industries Limited	5	28,241.3	1,878.0	21.20	102.47	20.69	19.97
Atul Limited	10	25,104.2	2,174.20	73.30	342.45	21.40	19.25
Vinati Organics Limited	2	7589.7	1157.9	22.85	84.13	26.68	22.12

\* At the Issue Price of ₹ 65 per Equity Share

**Notes:**

1. EPS considered is basic and diluted.
2. Financial information of our Company is based on the restated financial information for FY2014-15.
3. Financial Information (Standalone) of the Peer Group is based on and derived from the Annual Report of FY 2014-15.
4. P/E has been calculated based on the market price of equity shares as on August 07, 2015.
5. IDEF – the selling shareholder had invested ₹ 15 crores in our company in various tranches during FY 2008-09- to FY 2011- 12 at ₹26.56 per equity share aggregating to 56.48 lac equity shares. In the past six months preceding the date of filing of the Draft Red Herring Prospectus, the promoters have bought back 20.75 Lac equity shares from IDEF at an average price of ₹ 47.71 per equity share.

The Issue Price of ₹ 65 has been determined by our Company and the Selling Shareholder in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building process and is justified based on the above accounting ratios. For further details, please refer to the sections titled “Risk Factors” and “Financial Information” beginning on page numbers 13 and 152 respectively.





## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
Shree Pushkar Chemicals & Fertilisers Limited,  
202, A Wing, Bldg. No. 3, Rahul Mittal Industrial Estate,  
Sir MV Road, Andheri (E), Mumbai – 400 059, India.

Dear Sirs,

**Sub: Certification of statement of Possible Tax Benefits in connection with Initial Public Offering by Shree Pushkar Chemicals & Fertilisers Limited (“the Company”) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the Regulations”)**

We, M/s Jajodia & Company, the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957 and Gift Tax Act, 1958 presently in force in India as of date in connection with the proposed Initial Public Offerings of the Company.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance (No. 2) Act, 2014 where applicable. 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 have been / would be met with; or
- The revenue authorities/ courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For: M/s. Jajodia & Company**  
Chartered Accountants  
**ICAI Firm Reg. No.:** 121911W

Sd/-  
**Dinesh Jajodia**  
Proprietor  
**Membership No.:** 101008

**Place:** Mumbai  
**Date:** May 8, 2015



## ANNEXURE

### Statement of Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 (“ITA”) and other Direct Tax Laws presently in force in India:

#### PART A

#### SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND/OR SHAREHOLDERS

There are no special tax benefits available to the Company and / or shareholders.

#### PART B

#### GENERAL TAX BENEFITS

##### I. Benefits available to the Company

1. As per Section 10(34) of the ITA, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1<sup>st</sup> April, 2003 by domestic companies) received on the shares of any company is exempt from tax. Moreover, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115-O (1A) on which tax on distributed profits has been paid by the subsidiary. Furthermore, the amount of above said dividend shall be reduced by amount of dividend paid to any person for the New Pension System Trust referred to in clause (44) of section 10 of the ITA.

As per Section 10(35) of the ITA, the following income will be exempt in the hands of the Company;

- (i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
- (ii) Income received in respect of units from the Administrator of the specified undertaking; or
- (iii) Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in Section 2(h) of the said Act.

2. As per Section 2(29A) read with Section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of Section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of Section 10 are held for more than twelve months.
3. As per Section 10(38) of the ITA, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- i. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- ii. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the ITA. As per Section 115JB, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of Section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 18.5% (plus applicable surcharge and education cess) of the book profits.



4. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long – term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 5 million.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this section on or after 1<sup>st</sup> April 2007 means any bond, redeemable after three years and issued on or after the 1<sup>st</sup> April 2007 by:

- i. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or
  - ii. Rural Electrification Corporation Limited, a company formed and registered under The Companies Act, 1956.
5. As per Section 111A of the ITA, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
6. As per Section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of Section 48 of the ITA or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under Section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.
7. Under Section 115JAA(1A) of the ITA, credit is allowed in respect of any Minimum Alternate Tax (“MAT”) paid under Section 115JB of the ITA for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the ITA for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.
8. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(iv) of the Act, subject to the limit specified in Section 35D(3) and fulfillment of requirements u/s 35(1) (ii).
9. Dividends received by an Indian company from any specified foreign company (equity shareholding of 26 per cent or more) to continue to be taxed at concessional rate of 15 per cent without any sunset clause.
10. The company will be entitled to amortize expenditure under voluntary retirement scheme under Section 35DDA of the Act.
11. Deduction under Section 32: As per provisions of Section 32(1) (iia) of the Act, the company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after<sup>3</sup> 1st March, 2005 subject to fulfillment of conditions prescribed therein.
12. Short-term capital loss suffered during the year shall be set off against income if any under the head capital gain; balance loss if any, could be carried forward for set off against capital gains of future years up to eight subsequent assessment years.



13. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains; balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gain.

## **II. Tax Benefits available to shareholders of the Company under the Income Tax Act, 1961**

### **A. Resident shareholders**

1. Under Section 10(32) of the IT Act, any income of minor children who is a shareholder of the Company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included in the income of the parent.
2. The Company is required to pay a 'dividend distribution tax' currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). From October 1, 2014, the Company is required to pay a 'dividend distribution tax' by considering dividend declared amount as net of dividend tax, currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O of the IT Act, received on the shares of the Company is exempt from income tax in the hands of shareholders. However, it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income are not an allowable expenditure.
3. The characterization of the gains/losses, arising from transfer of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors.
4. (a) The long-term capital gains (under section 2(29B) of the IT Act) accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to securities transaction tax ("STT"), is exempt from tax as per provisions of Section 10(38) of the IT Act.
- (b) The short-term capital gains (under section 2(42A) of the IT Act) accruing to the shareholders of the Company on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A of the IT Act. Further no deduction under Chapter VI-A of the IT Act, would be allowed in computing such short term capital gains subjected to tax under Section 111A. In other cases, where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rates would depend on the income slab.
- (c) As per the provisions of Section 112 of the IT Act, long term capital gains accruing/ arising to the shareholders of the Company from the transfer of shares/ securities of the Company being listed in recognized stock exchanges, where no security transaction tax is paid then it is chargeable to tax at 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation or chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) after claiming the benefit of indexation, whichever is lower. Under Section 48 of the IT Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition / improvement.



- (d) Shareholders are entitled to claim exemption in respect of tax on long term capital gains (other than those exempt under Section 10(38) of the IT Act) under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer, subject to the fulfillment of the conditions specified therein. The maximum investment permissible on and after April 1, 2007 for the purposes of claiming the exemption in the notified bonds, by any person in a financial year, is ₹ 5 million. However, according to Section 54EC(2) of the IT Act, if the shareholder transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money.
  - (e) Shareholders that are individuals or Hindu undivided families can avail of an exemption under Section 54F of the IT Act, by utilization of the net consideration arising from the transfer of the Company's share held for a period of more than 12 months (which is not exempt under Section 10(38)), for purchase / construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.
5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
6. As per section 56 (2) (vii) Where an individual or a Hindu undivided family receives from any person or persons on or after the 1st day of October, 2009, any moveable property, (which includes, inter alia, shares & securities [being capital asset of the assessee],
- (i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
  - (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received:

- (a) from any relative;
- (b) on the occasion of the marriage of the individual;
- (c) under a will or by way of inheritance;
- (d) in contemplation of death of the payer or donor, as the case may be;
- (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act;
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
- (g) from any trust or institution registered under Section 12AA of the IT Act.

#### **B. 1 Non-resident shareholders – other than Foreign Institutional Investors**

1. Under Section 10(32) of the IT Act, any income of minor children, who is a shareholder of the Company, which is clubbed with the total income of the parent under Section 64(1A) of the IT Act,



will be exempt from tax to the extent of ₹ 1,500 per minor child whose income is so included.

2. The Company is required to pay a 'dividend distribution tax' currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend. From October 1, 2014, the Company is required to pay a 'dividend distribution tax' by considering dividend declared amount as net of dividend tax, currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Dividend (whether interim or final) declared, distributed or paid, under Section 115-O of the IT Act, by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the IT Act. However, it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income are not an allowable expenditure.
3. The characterization of the gains/losses, arising from transfer of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors.
4. The long-term capital gains accruing/ arising to a shareholder of the Company, being a non-resident, on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of Section 10(38) of the IT Act.
5. The short-term capital gains accruing/ arising to a shareholder of the Company on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax is chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A of the IT Act. Further, no deduction under Chapter VI-A and rebate would be allowed in computing such short term capital gains subjected to tax under Section 111A. In other case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rate would depend on the income slab.
6. As per the provisions of Section 112 of the IT Act, long term capital gains accruing/ arising to the shareholders of the Company from the transfer of shares/ securities of the Company being listed in recognized stock exchanges, where no security transaction tax is paid then it is chargeable to tax at 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation or chargeable to tax at the rate of 20% (plus applicable surcharge and education cess ) after claiming the benefit of indexation, whichever is lower.
7. As per the first proviso to section 48, capital gains arising from the transfer of shares of the Company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares. Cost Indexation benefit will not be available in such a case. The capital gains so computed in such foreign currency shall be reconverted into Indian currency and such manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares of the Company.
8. Under the provisions of Section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
9. The shareholders are entitled to claim exemption in respect of tax on long term capital gains other than those exempt under Section 10(38) of the IT Act under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer subject to the fulfilment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the notified bonds by any person in a financial year is ₹ 5 million. However, according to Section 54 EC (2) of the IT Act, if the shareholder transfers or converts (otherwise than by transfer) the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains





exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted (otherwise than by transfer) into money.

10. Individual shareholders can avail of an exemption under Section 54F by utilization of the net consideration arising from the sale of company's share held for a period more than 12 months (which is not exempt under Section 10(38)), for purchase/construction of a residential house within the specified time period and subject to the conditions specified therein.
11. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
12. As per section 56 (2) (vii) where an individual or a Hindu undivided family receives from any person or persons on or after the 1st day of October, 2009, any moveable property, (which includes, inter alia, shares & securities [being capital asset of the assessee]),
  - (i) Without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
  - (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received

- (a) from any relative; or
  - (b) on the occasion of the marriage of the individual;
  - (c) under a will or by way of inheritance; or
  - (d) in contemplation of death of the payer or donor, as the case may be; or
  - (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act; or
  - (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
  - (g) from any trust or institution registered under Section 12AA of the IT Act.
13. As per Section 115E of the ITA, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under Section 10(38) of the ITA) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
  14. As per Section 115F of the ITA and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA then such gains would not be chargeable to tax on a proportionate





basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

15. As per Section 115G of the ITA, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the ITA, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the ITA.
16. As per Section 115H of the ITA, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the ITA to the effect that the provisions of Chapter XII-A (which contains aforesaid sections 115E, 115F and 115G) shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
17. As per Section 115I of the ITA, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A (which contains aforesaid sections 115E, 115F and 115G) for any assessment year by furnishing a declaration along with his return of income for that assessment year under Section 139 of the ITA, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the ITA.

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

## **B.2 Non-resident shareholders – Foreign Institutional Investors**

1. The Company is required to pay a ‘dividend distribution tax’ currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). From October 1, 2014, the Company is required to pay a ‘dividend distribution tax’ by considering dividend declared amount as net of dividend tax, currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income.
2. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding (whether for investment or trading in Equity Shares) in the hands of the shareholder and various other factors.
3.
  - (a) The long-term capital gains accruing to the shareholders of the Company on sale of the Company’s shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of Section 10(38).
  - (b) The short-term capital gains accruing / arising to the members of the Company on sale of the Company’s equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A. In other case, i.e. where the transaction is not subjected to STT, as per the provisions of Section 115AD of the Act, the short term capital gains would be chargeable to tax at 30% plus applicable surcharge and education cess.
  - (c) As per the provisions of Section 115AD of the Act, long term capital gains accruing to the shareholders of the Company from the transfer of shares of the Company being listed in recognized stock exchanges and purchased in foreign currency, otherwise than as



mentioned in point 3(a) above, are chargeable to tax at 10% (plus applicable surcharge and education cess). The benefit of indexation and the adjustment with respect to fluctuation in foreign exchange rate would not be allowed to such shareholders. The filing of return under section 139(1) for income computed under Section 115AD is mandatory. Further, where the Gross Total Income (GTI) of the members includes any income on which tax has been paid as per special rates provided under Section 115AD, then the GTI shall be reduced by the amount of such income and deduction under chapter VIA shall be allowed in respect of reduced GTI.

- (d) The shareholders are entitled to claim exemption in respect of tax on long term capital gains under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds /securities within six months from the date of transfer subject to fulfilment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the notified bonds by any person in a financial year is ₹ 5 million. However, according to section 54 EC(2) of the IT Act, if the shareholder transfers or converts (otherwise than by transfer) the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted (otherwise than by transfer) into money.
- 4. Under the provisions of Section 90(2) of the IT Act, if the provisions of the DTAA between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
- 5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

### **III. Tax Benefits available to the shareholders under the Wealth Tax Act, 1957**

Equity Shares of company held by the shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957. Hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

### **IV. Tax Benefits available to the shareholders under the Gift Tax Act, 1958**

Gift Tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract gift tax.

### **V. Benefits available to Mutual Funds**

As per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered under the SEBI Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorised by RBI would be exempt from income tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

### **VI. Tax Deduction at Source**

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (other than long-term capital gains exempt under section 10(38) of the IT Act), may be subject to the provisions of withholding tax, subject to the provisions of the relevant tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is



obtained from the tax authorities. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

**Notes:**

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India;
- This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint share holders.



## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise stated, the information in this section is derived from “Indian Dyes and Fertilisers Industry – June 2014 report by ICRA Management Consulting Services Limited”. In addition, we have relied on websites and publicly available documents from various sources, if so needed. The data may have been re-classified by us for the purpose of presentation. Neither we, nor any other person connected with the Issue, has independently verified the information provided in this chapter. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on this information.*

#### Overview of Indian Economy

Over the period, FY2007-2013, the Indian economy had an average Gross Domestic Product (GDP) growth of 7.4%, although the growth has declined since FY2011. In the FY 2013, the annual GDP growth was lower at 5% as compared with 6.5% in FY 2012 and 8.4% in FY2011. In the first two quarters of FY 2014, there has been a small recovery in GDP growth, mainly, driven by agriculture and industry sectors. The services sector continues to be on declining trend. While the energy and financial services sectors have picked up in Q2FY2014, it is negative or low in the mining and manufacturing sectors. In the agriculture, construction and trade segments also, the growth has picked up in the quarter.

According to the United Nations Industry Development Organization (UNIDO), Indian chemical industry is among the six largest industries, globally, and third-largest in Asia. It contributes about 2% to India's GDP. The Government has allowed 100% foreign direct investment (FDI) in the sector, under the automatic route. The Government also planned investment in the three approved Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) is about ₹ 1,500,000 millions.

#### I. DYES AND DYE INTERMEDIATES

##### Overview of the Global Dyestuff Industry

Global colorants industry is estimated at ₹ 1,620,000 million. The market has grown at about 2-3% per annum in the last 10 years. Indian accounts for 12% of this market. In the last two decades, the production bases for colorants have shifted to the East from their traditional locations in the Western world. High cost of effluent treatment, low manufacturing-cost advantage and expanding customer base are the major reasons for this shift. Asia-Pacific represents the largest regional market for pigments and dyes. China has the largest market share, followed by India.

##### Overview of the Indian Dyestuff Industry

Dyestuffs and pigments are critical inputs to several industries such as textile, paper and packaging, leather, food, polymer, coating and printing ink. Textiles, paper and leather industries together, account for over 85% of the total demand for dyestuffs. Indian dyestuff industry is located, mainly, in Gujarat and Maharashtra.

Colorants industry has three key constituents: dyestuffs, pigments and intermediates. Intermediates are products manufactured from petrochemicals and are further processed to obtain dyestuff and pigments.

<b>Dyes</b>	<ul style="list-style-type: none"> <li>• Soluble substances used to pass colour to the substrate</li> <li>• Major end use are textiles and leather</li> <li>• Types: Reactive, Disperse, Direct</li> </ul>
<b>Pigments</b>	<ul style="list-style-type: none"> <li>• Insoluble and powdered or granular form substances</li> <li>• Impart colour by only certain light rays</li> <li>• Major end use are textiles and leather</li> </ul>
<b>Dye intermediates</b>	<ul style="list-style-type: none"> <li>• Chemical compounds processed to produce dyes and leather pigments</li> <li>• Types: H-acid, Gamma acid, benzyl chloride and nitrobenzene</li> </ul>



The dyes and dye intermediates market is highly fragmented with around 1,000 manufacturers. Top-five players account for about 30% of the industry. There are grounds for consolidation in future, such as high cost of conforming to stricter environmental norms and greater awareness among customers, resulting in low margins for small-scale players.

The Indian market for colorants is estimated at ₹ 200,000 million. Textile sector accounts for 60% of dyestuff consumption in India. However, at 50 gm, the per capita consumption of dyestuff is low as compared to the world average of 250 gm.

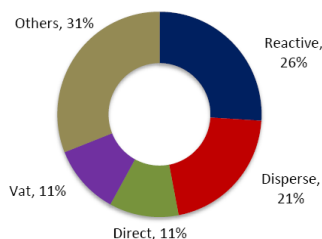
Under the most commonly used, US International Trade Commission, there are 12 types of dyes based on their application. The important dyes are: basic, azo, acid and direct dyes; disperse dyes, reactive dyes, sulphur dyes, vat dyes, organic pigments, and optical brighteners.

Type	Application
Basic	Silk, wool, cotton
Azo	Printing links and pigments
Acid	Wool, silk, paper, synthetic fibres, leather
Direct	Cotton, cellulosic and blended fibres
Disperse	Synthetic fibres
Reactive	Cellulosic fibre and fabric
Sulphur	Cotton, good colour fastness
VAT	Cotton, cellulose
Organic pigments	Cotton, cellulosic, blended fabric, paper

The overall production capacity of dyestuffs in India is estimated at approximately 252,000 tonnes per annum (TPA) with reactive dyes accounting for 50%, followed by acid dyes (15%). The installed capacity for pigments production is about 150,000 TPA.

The domestic industry meets more than 95% of India's dyestuff market requirement. At 26%, reactive dyes form the largest demand segment. The Government's policy to promote export of cotton goods and blend of polyester with cotton is expected to result in greater demand for disperse dyes.

#### Domestic consumption of Dyestuffs by Volume



Reactive Blacks, Acid Blacks, Reactive Blues, Reactive yellows and Reactive reds are the major products driving the dyes market. Products driving the dye intermediates market are Xylidine,

Vinyl Sulphone, Para Dichlorobenzene, Dichloroaniline and H-Acid. For Pigments are Pigment Blue-15 (Pathalocyanine Blue), Pigment Green 7 (Pathalocyanine Green), other Pigment Blue, Pigment Violet and other Pigment red are the key drivers.

#### The Dye Intermediate Industry

Dye intermediates are chemical compounds that are processed to produce dyes and leather pigments. The basic raw materials used for the manufacture of dyestuff are Benzene, Toluene, Xylene and Naphthalene (BTXN). These raw materials are processed via nitration, sulphonation, amination, reduction and are transformed into dye intermediates. This is followed by processes such as diazotition, coupling and formulation to produce the



particular dyestuff. Gamma Acid, H-acid, Amino-G-acid, Meta Ureido Aniline and Vinyl Sulphone Ester are a few types of intermediates manufactured or imported in India.

Gamma Acid (6-Amino-4-hydroxy-2-naphthalenesulfonic acid), an important dye intermediate, is produced from naphthalene by a combination of the unit processes of sulfonation, nitration, reduction, and hydrolysis. R-salt is used in the manufacture of a large number of azo dyes, especially, for reactive and direct dyes and pigments. While imports cost has increased marginally over the last six years, export realization of Gamma acid has increased by about 10%.

#### Trade Growth: Gamma Acid

Year	Imports			Exports		
	Value (Rs lakh)	Quantity ('000 Kg)	Import cost (Rs/kg)	Value (Rs lakh)	Quantity ('000 Kg)	Exports realisation (Rs/kg)
2012-13	8.73	1.84	474.45	1,826.49	570.19	320.33
2011-12	343.18	122.30	280.61	1,634.58	508.75	323.06
2010-11	464.96	209.26	222.19	1,966.69	569.74	345.19
2009-10	612.24	330.13	185.45	1,883.75	660.31	285.28
2008-09	145.77	75.38	193.38	1,586.25	528.03	300.41
2007-08	378.71	181.27	208.92	2,055.03	763.57	269.13
2006-07	466.87	222.62	209.72	1,434.72	645.02	222.43
2005-06	1,005.52	729.24	137.89	1,192.40	664.56	179.43
2004-05	61.52	30.58	201.18	1,205.46	615.52	195.84
6-yr.CAGR	-22%	-29%	-	5%	-1%	-

Sulfonic salts are water soluble and its salts present in organic dyes provide useful function of water solubility and or improve the wash fastness of dyes due to their capability of binding more tightly to the fabric.

Amino G-Acid is known for its accurate composition, purity and high pH value. They are extensively used in different industries including medical, therapeutic, dyes, research and in various industrial applications. Exports realisations have improved since FY2010.

#### Trade Growth: Amino G

Year cost (Rs lakh)	Imports			Exports		
	Value ('000 Kg)	Quantity (Rs/kg)	Import (Rs/kg)	Value (Rs lakh) (Rs/kg)	Quantity ('000 Kg)	Exports realisation
2012-13	8	8	100	357	132	271
2011-12	149	114	131	440	157	280
2010-11	317	210	151	586	262	224
2009-10	690	297	233	525	211	249
2008-09	1,429	593	241	1,085	401	271
2007-08	2,257	1,424	159	1,042	409	255
2006-07	1,105	2,524	44	1,650	512	322
2005-06	1,308	705	186	1,196	497	240
2004-05	2,113	1,557	136	2,208	876	252
6-yr.CAGR	-50%	-48%	-	-20%	-21%	-



Meta Ureido Aniline is widely used for manufacturing dyes for the textile industry. Both imports and exports of the product have increased. However, exports exceed imports by over four times. Import costs have increased at a higher rate than exports realisations.

#### Trade Growth: Meta Ureido Aniline

Year cost (Rs lakh)	Imports			Exports		
	Value ('000 Kg)	Quantity (Rs/kg)	Import	Value (Rs lakh) (Rs/kg)	Quantity ('000 Kg)	Exports realisation
2012-13	19,936	5,445	366	33,429	15,107	221
2011-12	13,133	4,247	309	29,107	17,949	162
2010-11	8,669	3,590	241	18,487	12,905	143
2009-10	6,235	2,606	239	11,862	8,941	133
2008-09	6,646	2,538	262	6,957	4,648	150
2007-08	3,873	2,314	167	6,697	6,347	105
2006-07	4,604	1,682	274	7,549	6,845	110
2005-06	3,335	1,393	239	6,363	5,101	125
2004-05	2,137	2,014	106	4,897	3,476	141
CAGR	32%	13%	-	27%	20%	-

H-acid is manufactured mainly by small and medium-sized enterprises with a production capacity of between 10 and 100 tonnes per month. Import cost exceeds exports realisation marginally.

#### Trade Growth: H-Acid

Year	Imports			Exports		
	Value (Rs lakh)	Quantity ('000 Kg)	Import cost (Rs/kg)	Value (Rs lakh) (Rs/kg)	Quantity ('000 Kg)	Exports realisation
2012-13	16,373	5,976	274	5,384	2,186	246
2011-12	6,095	2,436	250	6,849	2,928	234
2010-11	8,999	4,276	210	6,706	3,040	221
2009-10	10,145	5,231	194	7,659	3,853	199
2008-09	3,390	1,461	232	7,344	3,354	219
2007-08	4,145	1,889	219	15,628	7,156	218
2006-07	6,118	2,646	231	11,550	4,921	235
2005-06	1,769	1,190	149	3,898	2,650	147
2004-05	2,230	1,413	158	3,870	2,470	157
CAGR	28%	20%	-	4%	-2%	-

Year	Imports			Exports		
	Value (Rs lakh)	Quantity ('000 Kg)	Import cost (Rs/kg)	Value (Rs lakh)	Quantity ('000 Kg)	Exports realisation (Rs/kg)





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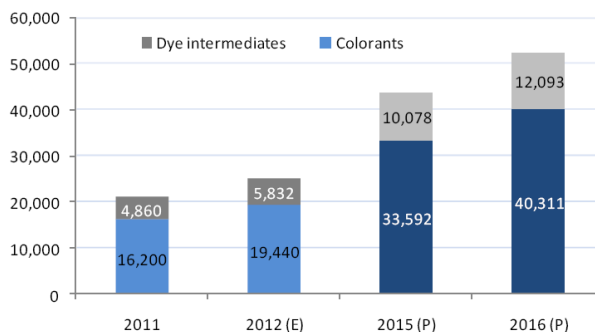
Vinyl sulphone ester is commonly known is suitable for dyeing as well as printing. While product exports have increased marginally and are about 5 times higher than imports, there has been a significant growth in imports over the last six years.

#### Trade Growth: Vinyl Sulphone ester

Year (Rs lakh) (Rs/kg)	Imports			Exports		
	Value ( <sup>'000</sup> Kg)	Quantity cost	Import	Value (Rs lakh) (Rs/kg)	Quantity ( <sup>'000</sup> Kg)	Exports realisation
2012-13	4,972	3,179	156	25,286	14,369	176
2011-12	1,869	1,229	152	20,936	15,784	133
2010-11	2,748	1,972	139	21,957	16,443	134
2009-10	657	360	182	22,456	18,753	120
2008-09	554	293	189	25,095	16,361	153
2007-08	1,334	812	164	30,476	22,061	138
2006-07	319	235	135	26,732	19,567	137
2005-06	55	37	150	21,109	17,797	119
2004-05	27	13	215	11,951	10,777	111
CAGR	92%	94%	-	10%	4%	-

#### Dye intermediate market growth projections

Dye intermediates may account for 3-60% of income from operations depending on the end use. They are key raw materials for the dyestuff industry and used in smaller quantities in the pigments industry too. The organised dyes and dye intermediate industry has grown at about 20-27% between FY2007 and FY2011. Assuming that dye intermediates account for 30% of income from operations of colorants market and a growth rate of 20%, the domestic market for dye intermediates is the estimated to reach ₹ 10,000 crore by FY2015.





### Key growth drivers and trends

Demand from textile sector and growth in associated manufacturing sectors would act as the key drivers for growth in the sector. Textiles need dyestuffs to colour the fibres, thus, generating demand for dye and dye intermediates. The textile industry accounts for 27% of total foreign exchange earnings of India, contributes 3% to the GDP and 14% to total industrial production. According to a report of the Competition Commission of India, the industry has the potential to increase textile and apparel share in world trade from 4.5% now to 8% (US\$ 80 billion) by 2020.

Stringent environmental laws in the western countries have resulted in discontinued production of certain dyes for textiles and leather, providing an opportunity to Indian chemical companies to manufacture such products and export to the demand centres including those with displaced production.

In the recent years, the dyestuff industry is opening up to various areas of application which include coloured contact lenses, biomedical applications and solar cells. Also, global manufactures are shifting manufacturing facilities to Asian countries because of lower cost of production and increasing demand in the region. Of all the major types of dyes manufactured and present in the market, trend indicate greater demand for reactive and disperse dyes, primarily, because of increasing use of cotton and polyester based fabrics around the world.

### Competition analysis

The Indian dyestuff industry is highly fragmented and characterised by a large number of players in the unorganized sector. The states of Maharashtra and Gujarat account for over 80% of the dyes and intermediates production in the country. The capacity utilisation of the industry has improved from 48% in FY2004 to 70% in FY2013. The high-end dye segment is relatively capital intensive and large players have lesser competition. Environmental norms have come to play an important role in survival and sustenance of the industry. Over the past decade, several units not complying with pollution control norms have been shut down.

### Government policy

Various policies that affect the dyestuffs industry include the rationalisation of customs duty as well as introduction of the effluent treatment and environmental norms. The dyestuffs, pigments and intermediates industry in India is subject to environmental pollution norms. The most immediate and urgent attention required from the Government is in granting of permission for product change-over and capacity expansions.

According to the Planning Commission's Twelfth Plan (2012-17) Working Group on chemicals industry, in the Eleventh Five Year Plan period, the dyes industry grew at 9.5%. Between 2000 and 2010, there has been a 14.5% annual growth in exports. Driven by robust exports growth, the Indian colorants industry has set a target to grow at a rate of 12% annually over the Twelfth Five Year Plan period.

### Risks and concerns for dyes and intermediates industry

Indian dyes are viewed as commodities in the global market instead of branded products. The industry's expenditure on R&D is extremely low, at about 1% of sales as against 10% for international companies. To be able to build brand names and improve international presence the Indian players would need to invest in R&D.

Crude oil is the basic raw material used in production of dye and dye intermediates. Changing crude oil prices affect the sustainability of small scale units in dyestuff sector.

This sector is under strict environmental regulations enforced across the global platform. Because of pollution hazards associated with dyestuff products, regulators around the world stipulate stringent environmental norms, with cost implications such as on procuring technology.

## II. Acid Complex – Sulphuric Acid

Sulphuric acid is a major raw material in the phosphate fertilizer industry. Other industrial users of sulphuric acid include: petroleum refining, steel pickling, rayon and staple fibre, pharmaceuticals, alum, explosives, detergents, plastics and fibres, and dyestuffs.



The Indian sulphuric acid industry is very old and has been continuously adopting new technology. It started with Lead Chamber process followed by Contact process with Single Conversion Single Absorption (SCSA) and now Double Conversion Double Absorption (DCDA) process.

According to the Central Pollution Control Board (CPCB), there are about 140 sulphuric acid plants (130 sulphur based and 10 smelter-gas based) in India with annual installed capacity of about 12 million MT. About 25% of the installed capacity is located at Paradeep (Orissa).

### III. Cattle Feed Supplement – Di Calcium Phosphate

Dicalcium phosphate (DCP) or calcium monohydrogen phosphate is basically a dibasic calcium phosphate which can be made as fertilizer or animal feed. Fertiliser grade DCP is mainly used in phosphate fertiliser and compound fertilisers as raw material. Since it is very cheap, it helps in improving the product cost-effectiveness and enhancing market competitiveness. As an animal feed, DCP is mainly used as a dietary supplement in prepared breakfast cereals, dog treats, enriched flour, and noodle products. It is also used as a tablet agent in some pharmaceutical preparations and is used as a feed for poultry. Animal feed grade DCP has two types, namely granular and powder.

#### Types of Animal Feed – grade DCP

Type	Specification
<b>Granular:</b>	P: min 18%; Ca: min 21.5%; F: max 0.12%; H <sub>2</sub> O: max 2%;
<b>Powder</b>	P: min 18% min; Ca: min 22.5%; F: max 0.12%; H <sub>2</sub> O:

Globally, the largest producing regions for animal feed based phosphates are North America, Western Europe and China. There are three types of Phosphorous based animal feed supplements namely Dicalcium phosphate (DCP), defluorinated rock phosphates (DFP) or tricalcium phosphate (TCP) and Monocalcium phosphate.

#### Types of P- based Animal Phosphates

Type	Composition	Used in
<b>Dicalcium phosphate (DCP)</b>	22% Ca, 18.5% P	Swine and layer diets
<b>Defluorinated rock phosphates (DFP) or tricalcium phosphate (TCP)</b>	33% Ca, 18% P	Broiler and turkey diets
<b>Monocalcium phosphate</b>	16% Ca, 21% P	Ruminant diets Mineral and vitamin mineral premixes.

The Indian feed industry is about 40 years old and, includes dairy and poultry feed manufacturing. The beef and pork feed industry is almost non-existent. The three key types of cattle-feed producers are the home-mixers, dairy cooperatives and private sector manufacturers of compound cattle feed. The Indian compound-cattle feed industry is extremely small, although its higher use could increase milk yields substantially. Adequate availability of feed and fodder to livestock is vital for increasing the productivity and also for sustaining the ongoing genetic improvement initiatives.

In FY2013, India exported 68,900 tonnes animal feed products and imported 44,711 tonnes. Under the programme improved fodder seed min-ikits on 75% subsidy basis was planned to be supplied to small and marginal farmers and other weaker sections of the society. This was expected to enable them to raise sufficient fodder for feeding their high productive livestock. For FY2014, it is proposed to supply 10 kgs of fodder seed



per beneficiary to cultivate at least 0.5 acre land to overcome fodder scarcity. To implement the programme it is proposed to allocate ₹ 7.9 crore.

#### IV. FERTILIZERS

##### Global Fertiliser Industry

According to the International Fertiliser Industry Association's (IFA) Medium-Term Fertiliser Outlook 2012-16, demand for fertiliser is steadily increasing, while supply is constrained by slippages in about 50% of scheduled projects.

IFA expects higher demand for fertilisers, driven by high crop prices as a consequence of the need for supplying: fast-rising food demand, feed, fibre and bio-energy. However, crop price volatility might result in large year-on-year variations. The demand is expected to reach 193 MT by FY2017. South Asia is expected to account for approximately 60% of the net increase in global demand by 2016. Average annual growth is expected to be stronger for potash (+3.7% per year) than for phosphates (+2.3%) and nitrogen (+1.5%) because the nitrogen and phosphate markets have recovered faster than the potash market, and because there is an urgent need to rebalance fertilization to the benefit of potash in several developing countries.

Contrary to historical trends, Asia's weight in global growth is progressively declining, while Latin America is reinforcing its position in future expansion. Demand is anticipated to rise firmly in Eastern Europe and Central Asia, as well as in Africa. In volume terms, East Asia, South Asia and Latin America together would account for 75% of the increase in world demand during the next five years.

Around 250 new fertiliser plants are expected to come on-stream over the next four-five years, corresponding to an investment of over US\$ 90 billion. However, about 50% of these projects are delayed by six to 18 months. Schedule slippages have slowed down the projected capacity growth and have led to more balanced market conditions in the short term, although lowering the levels of potential surpluses in the near term.

Global nitrogen capacity is projected to expand 17-25% compared with 2011, leading to large potential surpluses by 2015. Phosphoric acid and phosphate fertiliser capacity would expand by 20%, but global phosphate demand is projected to grow at similar rates, thus absorbing most of the projected incremental supply.

In the near term, trade prospects appear strong for most products. Between 2011 and 2016, global trade would expand by 15-20% for seaborne ammonia, potash and processed phosphates. Sulphur trade may increase 20-25%, because of strong demand projected in the fertiliser sector and in ore leaching operations. Urea exports may grow by an overall 15-30%, depending on India's import demand and capacity developments.

##### Overview of Indian Fertiliser Industry

Agricultural soils require frequent fertilising because nutrients deplete with time. Thus, fertilisers play an important role in agricultural output and food security.

The Indian fertiliser industry began in 1940s, with setting up of "Fertiliser Chemicals Travancore of India Ltd. (Kerala)" and "Fertilisers corporation of India (Bihar)". It grew considerably in 1970s and 1980s after the emergence of the green revolution in the late 1960s.

The Indian fertiliser industry provides for the three primary nutrients: nitrogen-N, phosphate- P<sub>2</sub>O<sub>5</sub> and potash-K<sub>2</sub>O. Besides these, the industry provides secondary nutrients, such as Calcium-Ca, sulphur-S and Magnesium-Mg, and micronutrients such as Zinc-Zn, Iron-Fe and Copper-Cu. The industry manufactures complex fertilisers (N:P:K), which are a combination of the three nutrients. Urea (46% N), ammonium sulphate or AS (20.6% N), calcium ammonium nitrate or CAN (25% N), ammonium chloride or ACI (25% N) are the straight nitrogenous N- fertilisers manufactured. Among the phosphate fertilisers, single super phosphate or SSP (16% P), with an installed capacity of 8.0 metric tonnes per annum (MTPA) is a major straight phosphate fertiliser comprising 20.7% of total P<sub>2</sub>O<sub>5</sub> capacity.

All P fertilisers are made from naturally occurring phosphorus-containing minerals, broadly called rock phosphates from which the major intermediate for P fertilisers, i.e., phosphoric acid is derived. The basic principle of phosphoric acid manufacture is through decomposition of rock phosphate by an acid: sulphuric acid, nitric acid or hydrochloric acid.



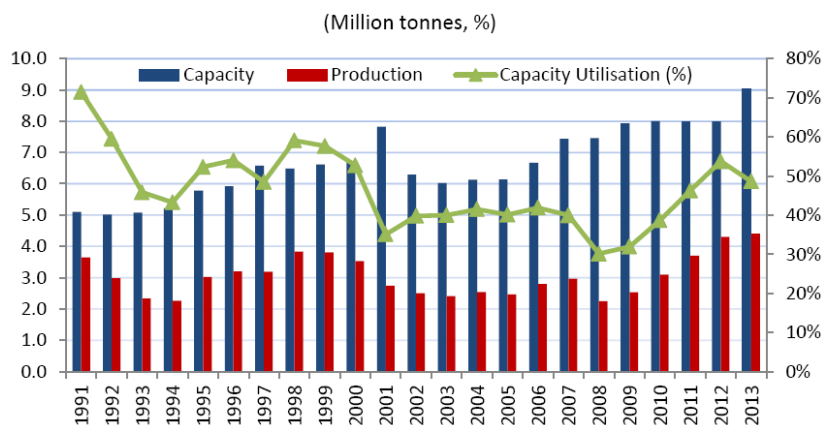
The only straight P fertiliser produced in the country is single super phosphate (SSP). The main raw materials required are rock phosphate and sulphuric acid ( $\text{H}_2\text{SO}_4$ ). SSP contains 16% water soluble  $\text{P}_2\text{O}_5$ , 12% sulphur, 21% calcium, and some other essential micronutrients in small proportions. SSP is a cheaper fertiliser used to treat sulphur deficiency in soils, as well as a nutrient for enhancement of yields.

Urea is the main fertiliser produced in the country, accounting for 78.9% of N-fertiliser capacity. Among the phosphate fertilisers, single super phosphate or SSP (16% P), with an installed capacity of 8.0 MTPA is a major straight phosphate fertiliser comprising 20.7% of total  $\text{P}_2\text{O}_5$  capacity. At an installed capacity of 6.9 MTPA, di-ammonium phosphate or DAP is the other key fertiliser manufactured, constituting 51.7% of the  $\text{P}_2\text{O}_5$  capacity.

### SSP industry in India

There are about 152 fertiliser plants in operational in India, of which 91 plants manufacture SSP fertiliser with an annual installed capacity of 8,043,700 tonnes. In FY2013, the SSP production was 4,414,000 tonnes. In the five years to FY2013, SSP production has grown at a CAGR of 6%.

### SSP Industry Growth



### Use of Sulphur in SSP

SSP is a good source of three plant nutrients: Phosphorous (P), Calcium (Ca) and Sulphur (S). The P component reacts in soil similarly to other soluble fertilisers. The presence of both P and sulphur (S) in SSP can provide agronomic advantage where both these nutrients are deficient.

All India production of sulphur (S) in AS (20.6% N and 23% S), Ammonium phosphate sulphate (16% N, 20% P and 13% S and 20% N, 20%P and 13% S) and SSP (16%P and 11%S) was 954,400 tonnes in FY2013. The five-year CAGR in production was 5%.

SSP is considered to be a better fertiliser as compared to other P fertilisers. As a source of P alone, SSP often costs more than other more concentrated fertilisers, therefore it has declined in popularity. When locally available, SSP has found wide-spread use for fertilizing pastures where both P and S are needed.

SSP can easily be produced on a small scale to meet regional needs. According to the proceedings of a symposium-cum-workshop on "Sulphur in Balanced Fertilisation", organised by TSI (Washington DC), FAI (New Delhi) and IFA (Paris), a study of 49,194 soil samples from across the country indicates that Punjab, Orissa, Gujarat and West Bengal have a larger percentage of samples with high sulphur deficiency.

### Soil Conditioner market

Gypsum is a primary ingredient in SSP. It is also a byproduct of a sulphide oxidation process. SSP is primarily used as a crop nutrient source. It is widely used in the construction industry, as well as in the food and pharmaceuticals. It is also a soil conditioner, which is added to soil to improve the soil's physical qualities such



as: structure and aeration, water-holding capacity, tile drainage effectiveness, alkali soil reclamation, chemical incorporation, root development, yields and quality.

It also prevents soil compaction and crusting of soil and aids seed emergence; helps plants absorb nutrients; stops soil erosion; improves soil structure as it is a good source of calcium; prevents some plant diseases; decreases the pH of solid soils and helps earthworm to flourish.

Gypsum imports have increased more than eight times between FY2007 and FY2013, indicating demand from different user segments. Significant growth potential in construction industry and greater demand for agri-inputs are expected to help domestic industry growth.

### **Government regulations for Fertiliser Industry**

To achieve self-sufficiency in fertilisers, the Government of India has protected the domestic industry through price and supply controls. Because of feedstock and raw material constraints, the industry has so far been less cost-efficient than the international counterparts.

World over, the agriculture sector enjoys substantial subsidies. In India, agricultural subsidies are disbursed primarily through output-price support and input subsidies. Input-fertiliser subsidies have been successful in increasing fertiliser consumption, improving agricultural yields and increasing indigenous food grains production. The subsidy is provided to the fertiliser manufacturer for distributing and selling its products to the farmers at a price cheaper than the cost of production of fertilisers. However, agricultural subsidies in India are among the lowest in the world. Further, input subsidies account for less than 10% of the value of agricultural production and fall within the World Trade Organisation (WTO) provisions.

For SSP, up to FY2008, the Department of Fertilisers paid an ad-hoc concession. The Maximum Retail Price (MRP) of SSP was fixed by State Governments and varied from one state to another. This ad-hoc dispensation and the low rates of concession, coupled with the progressive increases in input cost, not only resulted in a sharp decline in SSP production and consumption, but also had a serious adverse impact on the SSP industry. Subsequently, the ad-hoc concession rate of SSP was increased from ₹ 640 per tonne to ₹ 975 per tonne with effect from September 1, 2005. The State Governments were also recommended to maintain the present MRP of SSP. For FY2009, the Government implemented a revised concession scheme for SSP from May 1, 2008. The new scheme mandated provision for fixing uniform SSP price throughout the country by the Central Government. The uniform price was fixed at ₹3,400 per tonne. The scheme also provided for monthly revision in concession rates to reflect the variation in prices of raw materials. The base concession rates for SSP were fixed at ₹3,650 per tonne (for SSP manufactured using indigenous rock phosphate) and ₹5,630 per tonne (for SSP manufactured using imported rock phosphate). This was the first time the Government recognised sulphur content in SSP while fixing MRP.

According to the Planning Commission's Twelfth Plan Working Group, in agriculture, SSP is important for sulphur-deficient Indian soils. With the agricultural yields stagnating, it is important that balanced fertilization is encouraged. Use of sulphur in conjunction with NPK increases the nutrient uptake efficiency, resulting in higher crop yields of all crops and especially for oil seeds and pulses. SSP is a phosphate fertiliser, with 12% Sulphur and its use should be encouraged. The major impediment in the growth of the SSP sector has been its quality, which has always been a matter of concern. The Government has embarked upon technical audit of all SSP manufacturing units to ensure better quality and has even notified various grades of rock phosphate, which can be used for manufacture of SSP. FCO amendment order for SSP quality has also been issued in 2011.

The Working Group estimates that share of SSP to total P may increase from 7-10% during the Twelfth Plan period. Production of SSP must increase in order to decrease dependence on imported DAP or other imported phosphate fertilisers. However, quality of finished fertiliser products should be as per FCO, 1985 specifications. Beyond 2017, additional requirement of fertilisers has to be fulfilled through creation of domestic capacities and acquiring assets abroad for setting up joint ventures. In order to increase the availability of fortified fertilisers, manufacturers and importers are allowed to charge 5% above the MRP in case of fortified subsidized fertiliser (10% for zincated urea and Boronated SSP).

### **Competition**

There are nine public sector undertakings and two cooperative societies under the administrative control of the Department of Fertilisers. Fifty six large fertiliser units manufacture a wide variety of nitrogenous,



phosphate, and complex fertilisers. The private sector produces 44% of nitrogenous fertilisers and 65% of phosphate fertilisers. There are over 90 companies manufacturing SSP in India.

#### **SSP industry outlook and growth drivers**

The planning commission forecasts SSP demand to reach 5.9 million tonnes by FY2017. The NBS is expected to impact the SSP industry significantly and in a positive way because of thrust on the following:

- balanced consumption of fertilisers by narrowing the degree of subsidisation between nutrients
- additional subsidy for secondary and micro-nutrients to benefit growth of soil conditioners
- significant benefit to SSP manufacturers because of subsidy comparable to DAP.

#### **Fertiliser industry risks and concerns**

The fertiliser industry has been facing shortage of key raw materials such as phosphoric rock and sulphuric acid for manufacturing urea and phosphate fertilisers. Increase in price of essential raw materials such as natural gas and its unavailability in adequate quantity also acts as a setback for the fertiliser producer.





## OUR BUSINESS

### Overview

We are an ISO 9001: 2008 certified company, promoted by first generation entrepreneurs, Punit Makharia and Gautam Makharia. We commenced our business operations in the year 1993 with a trading business and have emerged to become one of the few manufacturers with widest range of dye intermediates in India with zero waste. We have state of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra. Over the years, the integration (backward and forward) has helped us diversify into wide range of products in such a way that many of the intermediate products are used to manufacture other value added products leading to efficiencies in the cost of production and low dependence on raw materials from external sources.

We are also amongst India's large manufacturers of K-Acid, a dye intermediate used to manufacture Reactive Dyes for dyeing of textiles, with an installed capacity of 960 MTPA as on March 31, 2015 .

We manufacture products in 4 major verticals viz., Dye Intermediates, Acid Complex (comprising sulphuric and its derivative acids), Cattle Feed Supplement and Fertilizers (Single Super Phosphate & Soil Conditioner).

The brief product details are as under:

Business Verticals	Products	Intermediate products for captive consumption
a. Dye Intermediates	Gamma Acid, K- Acid, R-Salt, Vinyl Sulphone, Meta Ureido Aniline and H- Acid	Amido G, G-Salt, R-Complex, Acetanilide
b. Acid Complex	Sulphuric Acid, Oleum and Chloro Sulphonic Acid (CSA)	-
c. Cattle Feed Supplement	Di- Calcium Phosphate (DCP)	Gypsum
d. Fertilizers	Single Super Phosphate (SSP) and Soil Conditioner	-

We market, sell and distribute our wide range of products to our diverse customers based in India and abroad. Over the years we have established our sales network both in domestic and international markets. We work on two-way marketing strategy, one being direct approach to our customers and the other through selling agents/dealers. As on date, our marketing strength comprises of 11 employees and 125 dealers.

Our products are marketed and sold in the states of Maharashtra, Gujarat and Karnataka in India. We are also a recognised Export House by Government of India. Our products are exported to one of the world's leading dye manufacturers' viz., Huntsman Corporation, headquartered in USA as also to Archroma Management LLC, a global color and speciality chemical company headquartered in Switzerland. Besides these, we also export to countries namely, Brazil, Thailand, Pakistan and Mexico.

We have also entered into the marketing arrangement with DCM Shriram Limited, Delhi, for Single Super Phosphate (SSP) within the state of Maharashtra and Karnataka. It distributes our product along with its own products in the regions of Maharashtra and Karnataka. Our product is sold under the brand name "SHRIRAM SUPER". DCM Shriram Limited is amongst India's leading companies having presence in Agri-Rural business like urea & SSP, sugar and farm inputs and Chlor-Vinyl business such as caustic soda, chlorine, calcium carbide, PVC resins among others manufacturing. We have during January 2012 launched our own soil conditioner brand "Dharti Ratna" which is being marketed in Western Maharashtra.

In addition, we have also entered into marketing arrangement with Shivam Chemicals Private Limited, Mumbai, (SCPL) for marketing of Di Calcium Phosphate (DCP) in the state of Karnataka. SCPL is a marketing agent in the state of Karnataka for Di Calcium Phosphate beside other products like Quick Lime, Hydrated Lime. It has a well established marketing network with agents all over India.

Our Company is also proposing to manufacture fertilizer - Sulphate of Potash with an installed capacity of 10,000 MTPA and a calcium chloride with an installed capacity of 6400 MTPA. Towards this proposal our Company has entered into a Memorandum of Understanding with M/s Ray International Private Limited dated December 20, 2014 for assignment of a plot of land at D-18 at Lote Parshuram, Taluka Khed, Ratnagiri district, Maharashtra – 415 722 for setting up the facilities for the manufacture fertilizer - Sulphate of Potash. The plot is admeasuring around 20,100 square metres and has an existing constructed built-up area of 950 square metres



comprising of godown of 750 square metres and ancilliary buildings of 200 square metres. The said plot is located at around 500 metres from our Unit II (at plot no. D-25). This expansion plan is estimated at a cost of ` 195 Million and is proposed to be funded through a term loan of ` 120 Million to be availed from a bank and the balance cost of ` 75 Million is proposed to be met through internal accruals.

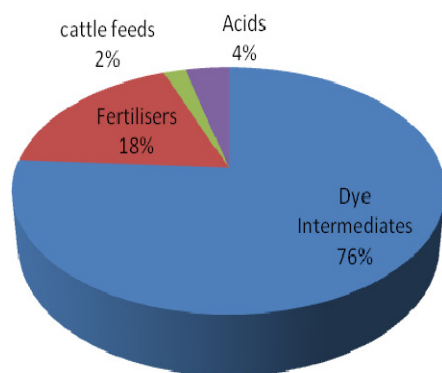
As on the date of this RHP, our Promoter and Promoter Group hold 87.96% while the balance 11.72% is held by IFCI Venture Capital Fund (IEDF).

As on the date, we have a total workforce of 529 including 10 senior executives, 26 managerial and supervisory staff, 66 office staff, 125 skilled and unskilled workers, 54 contract labourers and 248 casual labourers.

As of March 31, 2015 ,

- Revenue from Operations increased to ₹ 2,665.20 mn from ₹ 1,305.74 mn in fiscal 2011 at a CAGR of 19.53 %.
- EBITDA increased to ₹ 315.49 mn from ₹ 94.14 mn at a CAGR of 35.29%.
- Net Profit after Tax increased to ₹ 186.50 mn in FY 2014-15 from ₹ 27.54mn in FY 2010-11 at a CAGR of 61.32%.
- Our Revenue from Operations comprised ₹ 2,026.75 mn from Dye Intermediates, ₹ 103.17 mn from Acid Complex, ₹ 53.41 mn from Cattle Feed Supplements and ₹ 481.87 mn from Fertilizers.

#### Segment wise revenue for FY 2014-15



#### Proportion of revenue & EBITDA from each business vertical

(₹ in million)

Divisions	Financial Year Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Gross	Revenue	1,305.74	1,507.10	1,759.80	2,100.87	2,665.20
	EBIDTA	94.17	200.30	227.00	291.73	315.49
	EBIDTA %	7.21%	13.29%	12.90%	13.89%	11.84%
Dye Int.	Revenue	1,223.39	1,147.72	1,280.85	1,653.61	2,026.75
	EBIDTA	71.01	117.69	159.62	218.47	244.19
	EBIDTA %	5.80%	10.25%	12.46%	13.21%	12.05%
Fertilisers	Revenue	-	218.07	350.53	309.80	481.87
	EBIDTA	-	31.81	25.91	23.53	20.13
	EBIDTA %	-	14.59%	7.39%	7.60%	4.18%
Acids	Revenue	32.54	76.73	76.92	76.58	103.17
	EBIDTA	12.24	21.28	21.45	21.25	29.38
	EBIDTA %	37.62%	27.74%	27.88%	27.75%	28.48%
DCP	Revenue	49.81	64.58	51.50	60.87	53.41
	EBIDTA	17.28	29.52	20.02	25.46	21.79
	EBIDTA %	34.70%	45.71%	38.87%	41.82%	40.80%

**Breakup of revenue generated for last three years**

The breakup of revenue generated directly from selling to customers and through dealers during the past three financial years is as under:

Particulars	(₹ in mln)		
	2014-15	2013-14	2012-13
Revenue from Sales to Direct Customers	2,214.34	1754.68	1405.55
Revenue from Sales Through Dealers	441.77	330.50	340.49
Total Sales	2,656.11	2085.18	1746.04

The percentage of exports generated from exports to Huntsman Corporation and Archroma Management LLC. during the past three years are as under :

Particulars	2014-15	2013-14	2012-13
% of revenue from Sales to Huntsman Corporation	5.93%	10.11%	4.71%
% of revenue from Sales to Archroma Management LLC	NA	0.53 %	0.17%

**Competitive Strengths**➤ ***One of the few integrated manufacturers of wide range of Dye Intermediates in India***

We are one of the few manufactures of wide range of dye intermediates in India with zero waste. We have state of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra. Over the years, the integration (backward and forward) has helped us diversify into wide range of products in such a way that many of the intermediate products are used to manufacture other value added products thereby leading to efficiencies in the cost of production and low dependence on raw materials from external sources.

We manufacture products in 4 major verticals viz., Dye Intermediates, Acid Complex (comprising sulphuric and derivative acids), Cattle Feed Supplement and Fertilizer division. As of date, our operations comprises of six products in dye intermediates division, three products in acid complex division, one product in cattle feed supplement division and two products in fertilizers division.

Our diversified product portfolio helps us reduce the risks of adverse market condition and dependence on single product.

➤ ***One of the 'zero waste' manufacturer in the Dye Intermediates Industry in India***

We are one of the few integrated manufacturers with 'zero waste' in Industry. Our state of art integrated manufacturing facilities not only helps us treat the waste effluent generated during one process for either a final product or an intermediate product but also helps us add different value added products in our product portfolio. For example, during the manufacturing process of Vinyl Sulphone, certain effluents are released viz., Acetic Acid, Spent Acid and Hydrochloric Acid (HCl). Acetic Acid is recycled and mixed with Aniline Oil to manufacture Acetanilide – the major raw material for Vinyl Sulphone. Likewise, HCl which is released during the process is further mixed with Meta Phenyl Diamine to manufacture Meta Ureido Aniline.

Similarly, the spent acid which is released as an effluent during the manufacturing process of Meta Ureido Aniline is treated with Rock Phosphate to manufacture a cattle feed supplement viz., Di Calcium Phosphate.

Such 'zero waste' integration has not only led us achieve better efficiency levels but also has reduced our dependency on raw materials from external sources.

➤ ***Strategic location of our facilities reduces time and costs overruns***

Our state of art facilities are located at MIDC, Lote Parshuram, Maharashtra. The factory sites have close proximity to ports like Dharamtar, Jaigad and JNPT besides connectivity to road and rail. This has helped us save time and cost towards transportation of raw materials and/ or final products to/ from domestic and international customers. The raw material required by us is usually sourced either domestically or from international markets. We have our own fleet of trucks/ tankers for transportation of goods/ acids and thus reducing the dependence on transporters. Our dye intermediates are mainly marketed in Maharashtra and Gujarat as both the states are considered to be the major hubs for Dyes manufacturing.



Further, there are nearly over 100 small, medium and large industrial units manufacturing dye intermediates, bulk drugs, agro chemicals and speciality chemicals. Sulphuric acid is one of the major raw materials required by most of the industries located here. We nearly consume around 50% of sulphuric acid for our captive consumption and the balance is thus sold locally to these units. This saves our time and costs towards transportation, loading and unloading charges and other ancillary charges.

Further, we market Cattle Feed Supplement mainly in the states of Maharashtra and Karnataka while Fertilizers are marketed within Maharashtra only.

➤ ***Strong marketing and distribution network***

We market, sell and distribute our wide range of products to our diverse customers based in India and abroad. We conduct marketing arrangement through a strong and dedicated sales & marketing team which is supported by our Promoters, Punit Makharia and Gautam Makharia, who have together over 2 decades of experience in this field.

Our products are marketed and sold in Maharashtra, Gujarat, Karnataka in India. We are also a recognised Export House by Government of India. Our products are exported to one of the world's leading dye manufacturers viz., Huntsman Corporation, headquartered in USA as also to Archroma Management LLC, a global color and speciality chemical company headquartered in Switzerland. Besides these, we also export to countries namely, Brazil, Thailand Pakistan and Mexico.

Over the years we have established our sales network both in domestic and international markets. We work on two-way marketing strategy, one being direct approach to our customers and the other being through selling agents/ dealers. As on date, our marketing strength comprises of 11 employees and 125 dealers.

We have also entered into the marketing arrangement with DCM Shriram Limited, Delhi, for Single Super Phosphate (SSP) within the state of Maharashtra and Karnataka. It distributes our product along with its own products in the regions of Maharashtra and Karnataka. Our product is sold under the brand name "SHRIRAM SUPER".

DCM Shriram Limited is amongst India's leading companies having presence in Agri-Rural business like urea & SSP, sugar and farm inputs and Chlor-Vinyl business such as caustic soda, chlorine, calcium carbide, PVC resins among others.

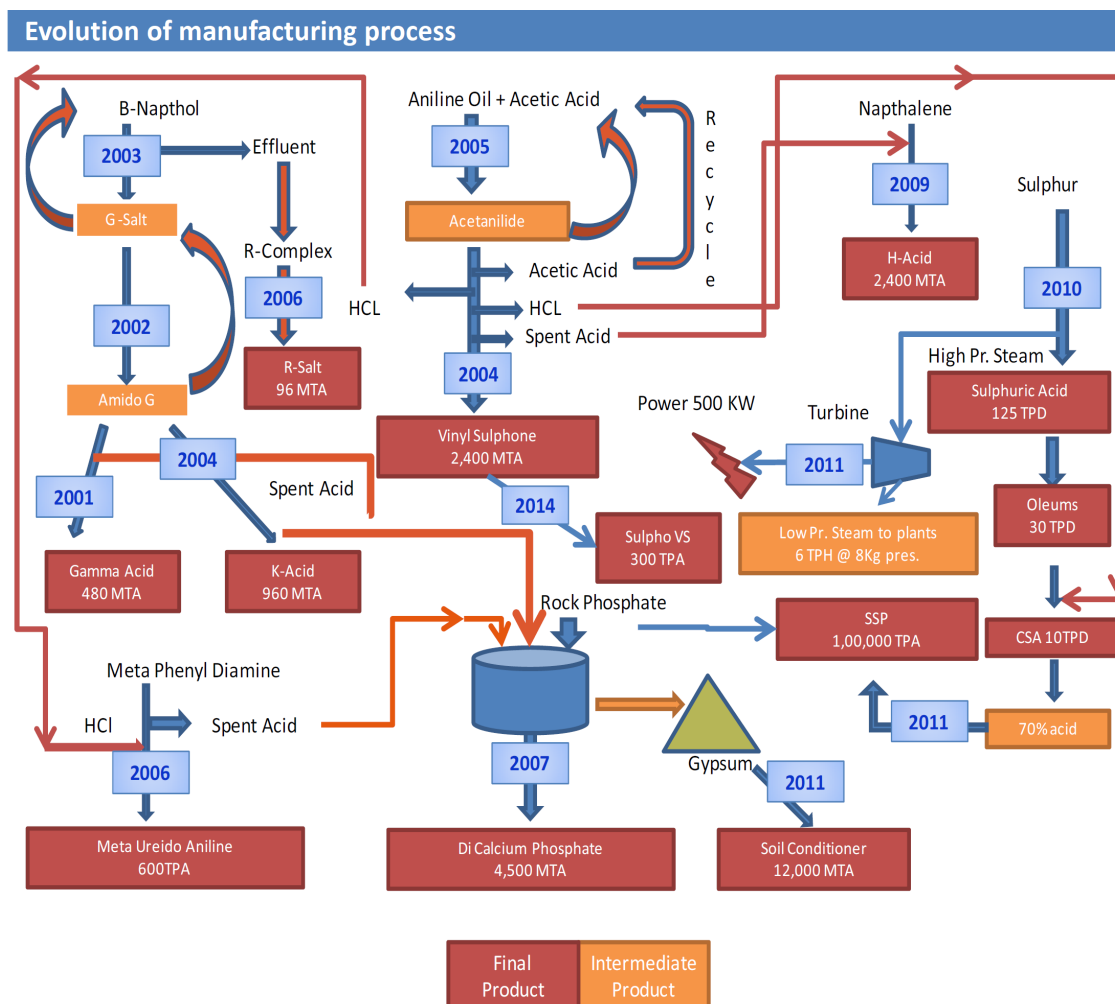
In addition, we also have a marketing arrangement with Shivam Chemicals Private Limited, Mumbai, (SCPL) for marketing of Di Calcium Phosphate (DCP) in the state of Karnataka. SCPL is a marketing agent in the state of Karnataka for Di Calcium Phosphate beside other products like Quick Lime, Hydrated Lime. It has a well established marketing network with agents all over India.

➤ ***Products catered to consumers from diverse sectors and industries***

We cater to the dye manufacturers who in-turn cater to textiles, leather, paper and food colors; fertilizers, cattle and poultry feed manufacturers as also to basic chemical industries who require acids for their manufacturing operations. Over the years, we have built a strong and diverse customer base in domestic and international markets. Our wide range of products and supply strategy to diverse customer base enables our business to be stable and be not affected by industry cycles.

➤ ***Experienced Management and Key Management Personnel***

Our Company has an experienced and qualified management team led by our Chairman and Managing Director, Punit Makharia who has been in this business for more than a decade. His immense knowledge and experience in this industry has helped our Company to have long term relations with the customers and has also facilitated entry in new segments. Further, the key managerial personnel of our Company possess requisite skills, experience, technical know-how and understanding of the industry and complete control over quality of the products being manufactured at the facilities.

**Our Business Model****“INTEGRATED MANUFACTURING CAPACITIES UNDER ONE ROOF”**

SSP – Single Super Phosphate; CSA – Chloro Sulphonic Acid; HCl – Hydrochloric Acid

Final Product	Intermediate Product	Market Prices in ₹ (as on September 1, 2014)
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**The Integration**

We commenced our business operations in the year 1993 with a trading business and have emerged to become one of the few manufacturers with widest range of dye intermediates in India with zero waste. Such integration has helped us reduce the dependency on the suppliers for the products.

Brief description of our business model:

**Backward Integration:**

We manufacture **Gamma Acid** and **K-Acid**. The major raw-material to manufacture this product is **Amido G**, which in-turn is an intermediate product of **G-Salt**. The major raw material to manufacture G-Salt is Beta Naphthol which is sourced from suppliers. During the process of manufacturing G-Salt, an effluent is released which is treated to manufacture R-Complex and R-Complex is further used to manufacture **R-Salt**. During the entire process, **Spent Acid**, an effluent is released, which is further treated in other processes.



Likewise, we also manufacture **Vinyl Sulphone (VS)** for which the major raw material is **Acetanilide**. During the process of manufacturing VS, certain effluents are released viz., Acetic Acid, Spent Acid and HCl. Acetic Acid is further recycled and mixed with Aniline Oil to manufacture **Acetanilide** – the major raw material for VS. HCl which is released during the process of VS, is further mixed with Meta Phenyl Diamine to manufacture **Meta Ureido Aniline**.

#### **Forward Integration:**

The Spent Acid which is released from the above processes is mixed with Rock Phosphate to manufacture **Di-Calcium Phosphate**. This process releases a waste called **Gypsum** which is used to make Soil Conditioner.

In short, the waste which is released during one manufacturing process is treated and mixed with certain chemicals such that we manufacture the raw material itself for the main product. Spent Acid, an effluent which is released in almost every manufacturing process is reused by our company to manufacture either Fertilisers or Soil Conditioners.

Over the years, the integration (backward and forward) has helped us diversify into wide range of products in such a way that many of the intermediate products are used to manufacture other value added products thereby leading to efficiencies in the cost of production and low dependence on raw materials from external sources. This has in-turn led us to term ourselves as a “**Zero Waste Player**” for our products in the Industry.

#### **Products**

Our products can be broadly divided into 4 business verticals namely Dye Intermediates, Acid Complex, Cattle Feed Supplements and Fertilizers.

##### **I. Dye Intermediates**

#### **Brief Description**

Gamma Acid and K-Acid are Dye Intermediates and are the basic raw material for the manufacture of Acid and Direct Dyes used for dyeing of wool, leather, etc., whereas Vinyl Sulphone Ester is an Intermediate used in the manufacture of Reactive Dyes used in the dyeing of cotton and viscose material. Besides, G-Salt and Amido-G both Intermediates in the manufacture of Gamma Acid and K-Acid also have a sizeable local market. Meta Ureido Aniline is a Dye Intermediate used for manufacture of Yellow Dyes, whereas, R-Salt is an important Intermediate for the manufacture of Food Colors. H-Acid is an Intermediate used in the manufacture of Acid, Reactive and Direct dyes along with Gamma Acid, K-Acid and Vinyl Sulphone Ester. H-Acid is considered as the mother of all Dye Intermediates, and along with Gamma Acid, K-Acid and Vinyl Sulphone Ester together contribute more than 90% of the Dye-Intermediates market.

Product Name	Major Raw Material	Use	Installed Capacity
1. Gamma Acid	Amido G	An intermediate to manufacture Acid and Direct Dyes used for dyeing of wool, leather, etc.	480 MTPA
2. K- Acid	- do -	- do -	960 MTPA
3. Amido G	G – Salt	<ul style="list-style-type: none"> <li>Dyestuffs;</li> <li>An intermediate to manufacture Gamma Acid and K- Acid;</li> </ul>	Captive consumption
4. G-Salt	B-Napthol	<ul style="list-style-type: none"> <li>An intermediate to manufacture Amido G</li> <li>Food dyes</li> </ul>	Captive consumption
5. R- Salt	Chemical (R Complex) an effluent produced as a by-product during the manufacturing of Gamma Acid and K- Acid	<ul style="list-style-type: none"> <li>An intermediate used for manufacturing food colours (esp. yellow colour)</li> <li>An intermediate used for Acid Dyes</li> </ul>	96 MTPA
6. Vinyl Sulphone (VS)	Acetanilide	An intermediate used for reactive dyes which are used in dyeing of cotton and viscose material	2,700 MTPA



Product Name	Major Raw Material	Use	Installed Capacity
7. Acetanilide	Aniline Oil; Acetic Acid	<ul style="list-style-type: none"> <li>Dye Intermediates</li> <li>Pharmaceuticals</li> <li>Manufacture of Vinyl Sulphone Ester</li> </ul>	Captive consumption
8. Meta Ureido Aniline	Meta Phenyl Diamine; Hydrochloric Acid (HCl)	<ul style="list-style-type: none"> <li>An intermediate used along with K- Acid to manufacture yellow dyes</li> </ul>	600 MTPA
9. H- Acid	Naphthalene	<ul style="list-style-type: none"> <li>An intermediate used in the manufacturing of azo dyes which are used for dyeing of wools, textiles and papers</li> <li>Considered to be the mother of dye intermediates</li> <li>Consumption largest among all dye intermediates</li> </ul>	2,400 MTPA

## II. Acid Complex

### Brief Description

Acid complex comprises of Sulphuric Acid, Oleum 23%, Oleum 65%, Chloro Sulphonic Acid (CSA). These Acids are primarily used for captive consumption and it provides better margins for the products currently being manufactured. Additional production, if any, is sold in the local market. During the manufacture of these acids, a heat is generated from which 500 KW power is produced for captive consumption.

Product Name	Major Raw Material	Use	Installed Capacity
1. Sulphuric Acid;	Sulphur; Oxygen; Water	<ul style="list-style-type: none"> <li>Used in fertilizers,</li> <li>Used in making</li> </ul>	125 TPD
2. Oleum 23%;		<ul style="list-style-type: none"> <li>hydrochloric acid, nitric acid, sulphate salts, synthetic</li> </ul>	30 TPD
3. Oleum 65%;			
4. Chloro Sulphonic Acid (CSA)		<ul style="list-style-type: none"> <li>detergents, dyes and pigments, explosives, and drugs</li> <li>Used in petroleum refining to wash impurities out of gasoline and other refinery products</li> <li>Used in processing metals</li> <li>Used as the electrolyte in the lead-acid storage battery commonly used in motor vehicles</li> </ul>	10 TPD

## III. Di Calcium Phosphate (DCP)

### Brief Description

A feed grade Di Calcium Phosphate is manufactured by reacting Rock Phosphate with dilute Sulphuric Acid at precise conditions to produce Phosphoric Acid. After separation and washing of the unreacted mass namely Gypsum and other unwanted impurities, the purified Phosphoric Acid is obtained. The Phosphoric Acid so obtained is reacted with milk of lime. The water insoluble Di Calcium Phosphate precipitates out which is further centrifuged and dried, blended, sieved and tested for uniform batch characteristics.





Product Name	Major Raw Material	Use	Installed Capacity
1. Di Calcium Phosphate (DCP)	Rock Phosphate; Sulphuric Acid	<ul style="list-style-type: none"> <li>Used to promote the hybridization rate, embryo protect rate and survive rate of domestic animals</li> <li>Improves the disease bearing capability of domestic animals and also forefends many diseases</li> <li>Promotes the animal's growth rate, re-production capability, hatchability / fertility rate, etc.</li> <li>Promotes the quality of eggs and flesh and also promotes the output of milk</li> <li>Improves digestion, feed conversion ratio and utilization of nutrients</li> <li>Can be mixed with poultry feed or feed</li> </ul>	4,500 MTPA

#### IV. Single Super Phosphate (SSP)

##### Brief Description

Fertilizers are commonly used for growing all crops, with application rates depending on the soil fertility, usually as measured by a soil test and according to the particular crop.

Product Name	Major Raw Material	Use	Installed Capacity
1. Single Super Phosphate (SSP)	Rock Phosphate; Sulphuric Acid	<ul style="list-style-type: none"> <li>Highly demanded fertilizer</li> <li>Readily accepted by the crops</li> <li>Comprises of 14.50% water soluble phosphate</li> </ul>	100,000 MTPA
2. Soil Conditioner	Gypsum (intermediate product of Di Calcium Phosphate) Magnesium Oxide	<ul style="list-style-type: none"> <li>Improves soil's physical qualities especially its ability to provide nutrition for plants</li> </ul>	12,000 MTPA

##### Capacity and Capacity Utilisation for last 3 years

Business Verticals	FY 2012-13		FY 2013-14		FY 2014-15	
	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)
Dye Intermediates	6,636	80.73	6,936	56.53	7,836	56%
Fertilisers	42,000	83.60	72,000	46.57	112,000	63%
Cattle Feed Supplement	4,500	32.93	4,500	42.44	4,500	56%
Acid Complex	40,000	90.00	40,000	96.00	40,000	98%

##### Capacity and Capacity Utilisation for next 3 years

Business Verticals	FY 2015-16		FY 2016-17		FY 2017-18	
	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)
Dye Intermediates	7,836	66%	9,586	65%	9,586	68%
Fertilisers	112,000	74%	112,000	79%	112,000	80%
Cattle Feed Supplement	4,500	62%	4,500	67%	4,500	70%
Acid Complex	40,000	98%	40,000	98%	40,000	98%
Dyes	1000	49%	3,000	55%	3,000	70%

**Note on proposed capacity enhancement of H-Acid and Vinyl Sulphone forming part of Objects of Issue**

We are currently operating at an average capacity utilisation of 56.53% of our dye intermediates segment. In order to integrate the manufacture of dyes with our present operations, we would require additional ~ 900 MTPA of Dye Intermediates (H-Acid and Vinyl Sulphone) (viz. ~ 51% of the proposed additional capacity as stated in the Objects of the Issue). Thus an overall capacity utilisation of the expanded dye intermediate plants would be in the range of 65% to 76% during the period of three years of operation post expansion. The additional new plants would be operational by February 2016. We have proposed the utilisation of the Dye plant at 55% in the first year of operations which we believe would go upto 80% during the third year.

**Facilities**

Facility	Description	Products manufactured
Unit I	Plot No. B-102/103, admeasuring 16,072 sq. Mts. situated within Industrial area-MIDC - Lote Parshuram, District Ratnagiri, Maharashtra, India	<ul style="list-style-type: none"> <li>▪ Dye Intermediates</li> <li>▪ Acid Complex</li> <li>▪ Cattle Feed Supplement</li> </ul>
Unit II	Plot No. D-25, admeasuring 16,072 sq. Mts. situated within Industrial area-MIDC - Lote Parshuram, District Ratnagiri, Maharashtra, India.	<ul style="list-style-type: none"> <li>▪ Single Super Phosphate</li> <li>▪ Soil Conditioner</li> </ul>

**Logistics**

We have our own logistic department comprising of a fleet of 3 nos. of M.S. Tankers and 1 no. of S.S. Tanker with the capacity of 16 MT each and 2 nos. of Tippers with capacity of 21 MT for transportation of our products to our clients as also for our fertiliser division.

**Utilities:****Raw Materials**

The raw material required by us is usually sourced either domestically or from international markets. Our Company has also been adopting a strategy of backward integration coupled with maximum utilisation of by-products as also treating the effluents generated in the various manufacturing processes. Over the years, such strategy has not only helped us to increase the proportion of raw material sourced internally from our own production but also reduced our dependency on suppliers.

For the manufacture of the various products the requirement of raw material are as under:

Product	Items of Raw Material Required
Amido- G, G-Salt, Gamma Acid & K-Acid	Beta-Napthol, Sulphuric Acid 98%, Oleum, Liquor Ammonia, Caustic Flakes, common salt
Vinyl Sulphone & Ethylene Sulpho Vinyl Sulphone	Acetanilide, Chloro-Sulphonic Acid, Sodium Bi sulphite, Ethylene oxide, caustic Lye, and Sulphuric Acid.
Acetanilide	Acetic Acid and Aniline.
R-Salt	Manufactured from Aniline Oil & the effluent generated (Mother liquor) in the manufacture of G-Salt, Caustic Flakes.
Meta Ureido Aniline	Meta Phenyl Diamine, HCl 30%, and Sodium Cyanate
H-Acid	Naphthalene, Sulphuric Acid, Oleum, Nitric Acid, lime, Glauber salt, Caustic flakes, Acetic acid, Iron powder, Methanol
Di calcium phosphate	Rock Phosphate, Spent Sulphuric Acid and lime
Sulphuric acid, Oleums & Chloro Sulphonic Acid	Elemental sulphur & HCl 30% for Chloro Sulphonic Acid.
Single Super Phosphate	Rock Phosphate, Spent Sulphuric Acid



Product	Items of Raw Material Required
Soil Conditioner	Manufactured from the Gypsum generated in the manufacture of Di-calcium phosphate & magnesium sulphate.

In order to reduce our dependency on the suppliers, we have set up plants to manufacture Acetanilide, Sulphuric Acid, Oleum and Chloro Sulphonic Acid to meet our captive requirements. We also source certain raw materials as required in our processes from domestic and international markets. Our suppliers (both domestic and international) include Dharamshi Morarjee, Reliance Industries, Rajasthan State Mines & Minerals Ltd. BASP Chemical Products Ltd, Lanxess Chemicals, Transfert FZCO, Hubei Chuyuan Import and Export Co Limited, Sun International FZE among others. Apart from the aforesaid manufacturers, these chemicals are also available from various local traders / distributors.

### Power

Our Company has a sanctioned load capacity of 990 KVA and 500 KVA of power supply from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for Unit I and Unit II respectively. Further, both the units have an electrical sub-station with a step down transformer of 1,200 KVA and 750 KVA each to receive power from High Tension line (HT) electric current.

In addition, we have a captive power plant of 500 KVA which is generated from the high pressure steam of the Sulphuric Acid unit. Further, we have 3 DG sets of 500 KVA, 380 KVA at Unit I and 250 KVA at Unit II respectively.

### Water

Our total requirement of water is approximately about 80 cubic meters per day (70 cubic meters per day for Unit I and 10 cubic meters per day for Unit II) which is sourced from Maharashtra Industrial Development Corporation (MIDC).

### Fuel

#### Unit I

We have installed one coal fired boilers with a capacity steam of 4tons/hr besides a LDO and coal fired thermic fluid heating system. We require fuel of ~ 15 tons/day of coal and ~ 1 kLit of LDO/day. In addition, we need fuel for the DG sets which is met from local suppliers.

The majority of the steam requirement at our Unit I is met from the back pressure turbine of the acid plant which generates low pressure steam at ~ 5 tons/ hr.

#### Unit II

We require fuel for our coal fired dryers installed at our granulation plant. In addition, we need fuel for the DG sets which is met from local suppliers.

### Manpower

As on date, we have 529 employees. The details are as under:

Category	Registered & Corporate Office	Pune Sales Office	Plant I Chemical Division	Plant II Fertilizer Division
Senior Executives	7	1	1	1
Managerial and Supervisory Staff	5		15	6
Office Staff	14	7	31	14
Skilled & Unskilled Workers	3	1	100	21
Contract labourers			34	20
Casual labourers			160	88
<b>Total</b>	<b>29</b>	<b>9</b>	<b>341</b>	<b>150</b>



Pursuant to the proposed expansion and diversification as mentioned in the chapter '*Objects of the Issue*', we propose to add around 100 workers which would be inclusive of the Managerial & Supervisory Personnel, Skilled and Unskilled workers.

### ***Effluent Treatment & Disposal***

We are one of the few manufacturers of wide range of dye intermediates in India with zero waste. We have designed appropriate systems which are built in consultation with specialists in effluent treatment and allied engineering activities. There is zero waste discharge at our facilities. We have also installed appropriate instruments and devised systems in our Acid plant to substantially bring down the noise and air pollution levels during plant start-ups and operations.

The effluents generated during the manufacturing of different products processes are processed to generate intermediate products which not only results in value addition but also saves cost towards treatment of effluent by conventional methods.

Our ETP comprises of physiochemical treatment which treats all waste generated during the manufacturing processes. Conducting risk assessments, carrying on-site emergency plans, safety audits and formulation of safety operating procedures are part of our regular practices.

We have an ETP for handling about 100 KL of effluents. The ETP comprises of neutralization tanks, settling tanks, aeration tanks amongst others as per the norms laid down by the Maharashtra Pollution Control Board.

### **Quality Control**

We have an analytical laboratory for quality control at our existing units which is controlled by experienced team of professionals. Our quality control activity is based on 4-pronged strategy viz., continuous improvement in quality by upgrading technology and improving processes; lower manufacturing costs through process improvement; conduct exploratory research to develop new products and processes that are environmentally responsible.

### **Insurance**

Our Company has taken up a range of insurance policies including:

1. Fire policies for our units, buildings and offices, raw materials, work-in-progress and finished goods;
2. Marine policy for transit of raw materials and finished products in India and Marine Export policy;
3. Workmen compensation policy under the Workmen Compensation Act.
4. Goods carriage Package policy for commercial vehicles carrying finished goods.
5. Burglary policy for our manufacturing units with respect to stocks of raw material, stock in process, semi finished goods and packing materials.

These insurance policies are reviewed annually to ensure that the coverage is adequate. All the policies are in existence and the premiums have been paid thereon.

### **Technical and Financial Collaboration**

As on the date of this RHP, we have not entered into any technical and financial collaboration.

### **Marketing & Selling Arrangements**

We market, sell and distribute our wide range of products to our diverse customers based in India and abroad. We conduct marketing arrangement through a strong and dedicated sales & marketing team which is supported by our Promoters, Punit Makharia and. Gautam Makharia, who have together over 2 decades of experience in this field.

Over the years we have established our sales network both in domestic and international markets. We work on two-way marketing strategy, one being direct approach to our customers and the other being through selling agents/ dealers. As on date, our marketing strength comprises of 11 employees and 125 dealers.



We have also entered into an arrangement with M/s DCM Shriram Limited, Delhi, for marketing of Single Super Phosphate (SSP) within the state of Maharashtra and Karnataka. DCM Shriram Limited is one of India's leading companies having presence in Agri-Rural business like urea & SSP, sugar and farm inputs and Chlor-Vinyl business such as caustic soda, chlorine, calcium carbide, PVC resins among others manufacturing. It distributes our products along with its own products in the regions of Maharashtra and Karnataka. The product is sold under the brand name "SHRIRAM SUPER". \

DCP is mainly marketed to sole cattle & poultry feed manufacturing units as also to integrated dairy & poultry development companies who have their own feed manufacturing plants. The supplies to the organized dairy & poultry companies both in the private & co-operative sectors are through direct selling as also through participation in annual tenders. In addition, we also have a marketing arrangement with M/s Shivam Chemicals Private Limited, Mumbai, (SCPL) for marketing of Di Calcium Phosphate (DCP) in the state of Karnataka. SCPL is a recognised marketing agent in the state of Karnataka for Di Calcium Phosphate beside other products like Quick Lime, Hydrated Lime. It has a well established marketing network with agents all over India.

Presently, our products are marketed and sold in Maharashtra, Gujarat, Karnataka in India and exported to one of the world's leading dye manufacturers' viz., Huntsman Corporation, headquartered in USA as also to Archroma Management LLC, a global color and speciality chemical company headquartered in Switzerland. Besides these, we also export to Brazil, Thailand Pakistan and Mexico.

### **Export obligation**

Presently we do not have any export obligation.

### **Business Strategy**

We are presently into the manufacture of dye intermediates, acids, fertilizers and soil conditioner. In the past, we have successfully expanded our product portfolio through backward and forward integration strategy. With this approach, we now intend to develop facilities to manufacture dyes enabling ourselves to be a fully integrated player in Dyes and Dye Intermediates industry. The setting up of a plant to manufacture Reactive Dyes with a capacity of 3,000 TPA by utilizing the raw materials which are being manufactured in-house is a part of our long term strategy to be an integrated player. We believe that pursuant to this, we shall be in a position to have control over the final product, quality, cost and output time thereby having an edge over the competitors.

We shall also target enhancing the capacities of our existing products to meet the incremental demand from our customers through organic and inorganic growth. Presently as a step towards this we are proposing to set up new plants for manufacture of H-Acid and Vinyl Sulphone with a capacity of 750 TPA and 1,000 TPA respectively. Currently, H-Acid and Vinyl Sulphone are the major contributors to the revenue in the dye intermediate segment of our business. We believe that there is a significant growth potential in our existing product portfolio and we intend to be well positioned to capitalize these available opportunities of growth.

### **Competition**

Our Company operates in competitive environment which has number of organized and unorganised players in the Industry. The range of products that we manufacture nearly constitutes 80% of the product line in the Dyes Intermediates segment consumed. In addition we also manufacture Acids, Cattle Feed Supplement and Fertilizers, all under one roof.

Kiri Industries Limited, Bodal Chemicals Limited, Mayur Dye Chem Intermediates Limited, Bhageria Dye Chem Limited, Kutch Chemicals Industries Limited are some of the companies which manufacture some of our products in Dye Intermediates and Acids besides their other range of products.

SPA Vet Min Private Limited, Shanku's Biosciences Private Limited, SA Pharmachem Private Limited are some of the companies which manufacture Di Calcium Phosphate besides their other range of products.

Basant Agro Tech (India) Limited, Coromandel International Limited, Khaitan Chemicals & Fertilizers Limited, Rama Phosphates Limited are some of the companies which manufacture SSP and soil conditioners besides their other range of products.



Since, we are one of the few manufacturing companies in India with business presence in the above 4 verticals under one roof, the above companies are not directly comparable to us.

### **Property**

Our manufacturing facilities are located in Plot No. 102/103 and D-25 at Lote Parshuram, Taluka Khed, Ratnagiri district, Maharashtra – 415 722 which has been leased by us from MIDC.

We have entered into a Memorandum of Understanding with M/s. Ray International Private Limited dated December 20, 2014 where they have assigned us the plot located at D-18 at Lote Parshuram, Taluka Khed, Ratnagiri district, Maharashtra – 415 722.

Our Registered and Corporate Office is located at 202, A Wing, Building No. 3, Rahul Mittal Industrial Estate, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra and is held by us on a leave license basis. Our sales and marketing offices are located at Pune and Vapi at Office No. 308, Picasso Plaza, Village Kondhwa, Khurd, Pune – 411 048, Maharashtra and Office No. 328, 3<sup>rd</sup> Floor, Varun CHS Ltd, Opposite Panchratna Building, Char Rasta, Vapi – 396 191, Gujarat respectively.

All of the aforesaid leased properties / properties held on leave license basis are under valid agreements.

### **Purchase of Property**

Our Company has entered into an MoU dated September 18, 2014 with Universal Chemicals and Industries Private Limited (“Vendor”) having its registered office at 507, Raheja Centre, Nariman Point, Mumbai – 400 021, for the acquisition of an existing factory situated on plot bearing no. B-97, within MIDC, Lote-Parshuram. The Vendor is into the business of manufacturing chemicals.

The total consideration payable to the Vendor is ₹ 22.90 including stamp duty & registration charges and transfer charges payable to MIDC. Our Company has paid an advance amount of ₹15 mn as per the terms of the MoU out of the internal accruals. The said premise has been acquired to set up a unit for manufacture of Reactive Dyes, H-Acid and Vinyl Sulphone. For details, please refer to the chapter titled ‘*Objects of the Issue*’ beginning on page number 65.

Our Promoters are not related to the Vendors in any manner.

Application dated April 7, 2014 made by our Company to Member Secretary, State Level Expert Appraisal Committee – I, Environment Department, Government of Maharashtra for the grant of Terms of Reference for proposed Reactive Dyes Manufacturing Facilities to be located at Plot No. B-97, MIDC Lote Parshuram, Khed, District Ratnagiri – 415 722, Maharashtra.



## KEY INDUSTRY REGULATIONS AND POLICIES

*Our Company is engaged in the business of manufacturing a range of Dye Intermediates, Acid Complexes, Cattle Feed Supplement and Fertilisers. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. 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 Bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and other miscellaneous regulations and statutes such as labour laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of laws, 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, please refer to the chapter titled "Government and Other Approvals" beginning on page number 195.*

The following discussion summarizes certain significant Indian laws and regulations that govern our Company's business.

### **ENVIRONMENTAL LAWS**

#### ***Environment Protection Act, 1986***

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Act**") as amended, the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") as amended, and the Environment Protection Act, 1986 ("**Environment Act**") as amended. Water Act aims to prevent and control water pollution. It provides for the constitution of a Central Pollution Control Board ("**CPCB**") and State Pollution Control Boards ("**SPCBs**").

The functions of the CPCB include coordination of activities of the SPCBs, collecting data relating to water pollution and the stipulation of measures for the prevention and control of water pollution and prescription of standards for streams or wells. The SPCBs are responsible for the planning for programs for, among other things, the prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluents into a stream, well or sewer without the prior consent of the relevant SPCB.

The CPCB and the SPCBs constituted under the Water Act are to perform functions under the Air Act for the prevention and control of air pollution. The Air Act aims to prevent and control air pollution. It is mandated under the Air Act that no person may, without the prior consent of the relevant SPCB, establish or operate any industrial plant in an air pollution control area.

The Environment Act has been enacted for the protection and improvement of the environment. It empowers the Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants. The Government may make rules for regulating environmental pollution.

#### ***Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of boards for the prevention and control of water pollution, for conferring on and assigning to such boards powers and functions relating thereto and for matters connected therewith. The Water Act defines "*pollution*" as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act envisages establishing a Central Pollution Control Board as well as State Pollution Control Board for prevention and control of water pollution.





Accordingly, the previous consent of the board constituted under the Water Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Water Act and such other authorities or agencies as may be prescribed.

#### ***Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”)***

The Water Cess Act, as amended provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this Act, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the Environment Act. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹1,000 or both and penalty for non payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

#### ***Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

Pursuant to the provisions of the Air Act, as amended, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Boards required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the state government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

Under the Air Act, the Central Pollution Control Board has powers, *inter alia*, to specify standards for quality of air, while the State Pollution Control Boards have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the state government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

#### ***Environment Impact Assessment Notifications***

The Environment Impact Assessment Notification S.O.60(E), issued on January 27, 1994 (“**1994 Notification**”) under the provisions of the Environment Act, as amended, prescribes that for the construction of certain power projects specified in the 1994 Notification, in the case of new projects, if the investment is more than ₹1,000 million and in the case of expansion or modernization projects, if the investment is more than ₹500 million the prior environmental clearance of the Ministry of Environment and Forest (“**MoEF**”) is required. The environmental clearance must be obtained from the MoEF according to the procedure specified in the 1994 Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained.

The application to the MoEF is required to be accompanied by a project report which should include, *inter alia*, an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period



of 90 days from receipt of the requisite documents from the project developer / manager. Thereafter, a public hearing has to be completed and a decision conveyed within thirty days.

The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project. The project developer / manager concerned are required to submit a half yearly report to the Impact Assessment Authority to enable it to effectively monitor the implementation of the recommendations and conditions subject to which the environmental clearance has been given. If no comments from the Impact Assessment Authority are received within the time limits specified above, the project will be deemed to have been approved by the project developer / manager.

On September 14, 2006, the Environmental Impact Assessment Notification S.O. 1533 (“**2006 Notification**”) superseded the 1994 Notification. Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report.

#### ***Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Act”)***

The Hazardous Waste Act defines waste oil and oil emulsions as hazardous wastes and imposes an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. The Hazardous Waste Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste. The occupier, transporter and operator’s liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the Environment Act or both.

#### ***The Explosives Act, 1884 (“Explosives Act”)***

The Explosives Act regulates the manufacture, possession, use, sale, transport and importation of the explosives. As per Section 4 (h) of the Explosives Act, “manufacture” in relation to an explosive includes the process of:

1. dividing the explosive into its component parts or otherwise breaking up or unmaking the explosive, or making fit for use any damaged explosive; and
2. re-making, altering or repairing the explosive.

The Central Government may, for any part of India make rules consistent with the Explosives Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Moreover, the Central Government may from time to time, by notification, prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive which is of so dangerous a character that, in the opinion of the Central Government, is expedient for the public safety to issue the notification. Where a person makes an application for license under Section 5 of the Explosive Act, the authority prescribed thereunder after making such inquiry, if any as it may consider necessary, shall, subject to the other provisions of the Explosives Act, by in order in writing either grant license or refuse to grant the same. The licensing authority shall grant a license, where it is required for the purpose of manufacture of explosives if the licensing authority is satisfied that the person by whom license is required possesses technical know-how and experience in the manufacture of explosives or where it is required for any other purpose, if the licensing authority is satisfied that the person by whom such license is required has a good reason for obtaining the same. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. Section 9-C of the Explosives Act also provides provisions for offences by companies, and who would be the persons liable in case of offences by companies.

***Public Liability Insurance Act, 1991 (“Public Liability Act”)***

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

***The Indian Boilers Act, 1923 (“Boilers Act”)***

The Boilers Act states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

***LABOUR LAWS***

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees’ Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

***Factories Act, 1948 (“Factories Act”)***

The Factories Act defines a “factory” to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and / or with a fine up to ₹100,000 or both, and in case of such violation continuing after conviction, with a fine of up to ₹1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹25,000 in the case of an accident causing death, and ₹5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be ₹200,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹35,000 and ₹10,000, respectively.

***Payment of Gratuity Act, 1972 (“Gratuity Act”)***

Under the Gratuity Act, an employee in a factory is deemed to be in continuous service for a period of at least two hundred forty days in a period of twelve months or one hundred twenty days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such



period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee.

An employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed ₹ 350,000.

#### ***Payment of Bonus Act, 1965 (“Payment of Bonus Act”)***

Under the Payment of Bonus Act, an employee in a factory who has worked for at least thirty Working Days in a year is eligible to be paid bonus. “Allocable surplus” is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

The minimum bonus to be paid to each employee is 8.33% of the salary or wage or ₹ 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Payment of Bonus Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to ₹1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

#### ***Workmen’s Compensation Act, 1923 (“Workmen’s Compensation Act”)***

If personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman voluntarily disobeyed safety rules. Where death results from the injury the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is ₹228.54 for a worker aged sixteen years) or ₹80,000 whichever is more. Where permanent total disablement results from injury the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or ₹90,000 whichever is more. The maximum wage which is considered for the purposes of reckoning the compensation is ₹4,000. On December 1, 2009, the Indian Parliament passed the Workmen’s Compensation Amendment Bill, 2009, which broadens the scope of the Workmen’s Compensation Act to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. The restriction of the application of this law to companies with at least twenty employees has been done away with, and it would now be obligatory for compensation commissioners to decide on a claim within three months of an application being filed. Under the Workmen’s Compensation Act, it is obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments / Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

#### ***Payment of Wages Act, 1936 (“Payment of Wages Act”)***

The Payment of Wages Act regulates the period and payment of wages, overtime wages and deductions from wages and also regulates the working hours, overtime, weekly holidays of certain classes of employed persons. It requires the persons responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made thereunder. The Act also contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

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

The EPF Act applies to factories employing more than twenty employees and such other establishments and industrial undertakings as notified by the government from time to time. It requires all such establishments to be registered with the relevant state provident fund commissioner. Also, such employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund.



A monthly return is required to be submitted to the relevant state provident fund commissioner in addition to the maintenance of registers by employers.

***The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)***

The CLRA regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced, and is carried out by labourers hired on contractual basis, compliance with the CLRA including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund. The CLRA regulates the employment of contract labour in certain establishments provides for its abolition in certain circumstances. It applies:

- To every establishment which does not carry on intermittent / casual work in which twenty or more workmen are / were employed on any day of the preceding 12 months as contract labour (“Establishment”);
- To every contractor who employs, or who employed on any day of the preceding 12 months, twenty or more workmen.

Every Establishment must, within the specified period, apply to the registering officer for registration of the Establishment and obtain a certificate of registration containing such particulars as may be prescribed.

Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a licence issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein.

Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first- aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible. Every principal employer and contractor is required to maintain the prescribed records in respect of the contract labour employed.

***The Contract Labour (Regulation and Abolition) Central Rules, 1971 (“Contract Labour Rules”)***

The Contract Labour Rules were formulated to carry out the purposes of the Contract Labour (Regulation and Abolition) Act, 1970 (“Act”) has not been captured. As per the Contract Labour Rules, the application for registration of establishments to which the Act applies shall be made in Form I in triplicate and shall be accompanied by a treasury receipt showing payment of fees. A certificate of registration in Form II containing particulars of the name of the establishment, type of work carried on therein, number of contract labourers employed and other particulars is then issued. Any change in these particulars must be intimated by the principal employer at the establishment within thirty days of such change along with details of such change. Every application for license by the Contractor, made in Form IV, shall be accompanied by a certificate by the principal employer in Form V to the effect that the applicant has been employed by him as a contractor in relation to his establishment. Security as prescribed must also be deposited. Every license granted to the contractor in Form VI i- non - transferable and shall contain particulars such as the maximum number of contract labourers employed.

***The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)***

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- i. *The Employees Provident Fund Scheme:* as per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.





- ii. *The Employees Pension Scheme:* Employees' Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees' Pension Scheme and credit the contribution to the Employees' Pension Fund.
- iii. *The Employees Deposit Linked Insurance Scheme:* As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C(4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

Further, the employer is required to maintain records and submit periodic returns with regard to the implementation of the Act and Schemes.

#### ***The Industrial Employment (Standing Orders) Act, 1946 ("Standing Orders Act")***

The Standing Orders Act requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by such employer in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed. The standing orders as finally certified under this Act shall be prominently posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of workmen enter the industrial establishment and in all departments thereof where the workmen are employed.

#### ***OTHER LAWS***

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

The Foreign Trade Act was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade.

##### ***Legal Metrology Act, 2009***

Legal Metrology Act, 2009 was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985 with effect from March 1, 2011.

##### ***The Customs Act, 1962***

The Customs Act, 1962 (the "**Customs Act**") is to consolidate and amend the laws related to customs. The Custom Act provides that all importers must file a bill of entry or a cargo declaration, containing the prescribed particulars for a customs clearance. Additionally, a series of other documents relating to the cargo are to be filed with the appropriate authority. After registration of the bill of entry, it is forwarded to the concerned appraising group in the custom house. This is followed by an assessment by the assessing officer in order to determine the duty liability which is on the basis of statement made in the entry relating thereto and the documents produced and information furnished by the importer or exporter. Further, all imported goods are examined for verification of correctness of description given in the bill of entry. Post assessment, the importer may seek delivery of the goods from the custodians.



### ***Central Excise***

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and also prescribes procedures for clearances from factory once the goods have been manufactured etc. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods.

### ***Value Added Tax***

Value Added Tax (“VAT”) is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

### ***Sales Tax***

The tax on sale of movable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant state law depending upon the movement of goods pursuant to the relevant sale. If the goods move inter-state pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, when the taxability of an arrangement of sale of movable goods which does not contemplate movement of goods outside the state where the sale is taking place is determined as per the local sales tax / VAT legislations in place within such state.





## HISTORY AND CERTAIN CORPORATE MATTERS

### Corporate Profile and Brief History

Our Company was incorporated as “*Shree Pushkar Petro Products Limited*” on March 29, 1993, as a public limited company in Mumbai, and registered *vide* registration number 11-71376 of 1993 with the Registrar of Companies, Maharashtra, under the Companies Act, 1956. Our Company received its certificate of commencement of business on August 3, 1993, issued by Registrar of Companies, Maharashtra. Pursuant to a Fresh Certificate of Incorporation dated March 5, 2012, issued by the Registrar of Companies, Maharashtra, the name of our Company was changed to ‘*Shree Pushkar Chemicals & Fertilisers Limited*’ to reflect the business of our Company more accurately. Our Company’s CIN is U24100MH1993PLC071376.

### Changes in the Registered Office

At the time of incorporation, the registered office of our Company was situated at 202, Vyapar Bhawan, 368/70 Narsinatha Street, Masjid Bunder, Mumbai – 400 009, Maharashtra. Details of changes in the address of the registered office of our Company are set forth as under:

From	To	Effective Date	Reason
202, Vyapar Bhawan, 368/70 Narsinatha Street, Masjid Bunder, Mumbai – 400 009, Maharashtra	103/105, 3 <sup>rd</sup> Floor, Office No. 45 & 46, Sherifji Devshi Street, Chakala Street, Masjid Bunder, Mumbai – 400 003, Maharashtra	February 6, 1993*	For operational convenience
103/105, 3 <sup>rd</sup> Floor, Office No. 45 & 46, Sherifji Devshi Street, Chakala Street, Masjid Bunder, Mumbai – 400 003, Maharashtra	404, Mehajabin Arcade, 4 <sup>th</sup> Floor, Chakla Cross Lane, Vadgadi, Masjid Bunder, Mumbai – 400 003, Maharashtra	July 10, 1995	For operational convenience
404, Mehajabin Arcade, 4 <sup>th</sup> Floor, Chakala Cross Lane, Vadgadi, Masjid Bunder, Mumbai – 400 003, Maharashtra	202, A- wing. Building no. 3, Rahul Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059, Maharashtra	April 1, 2003	For operational convenience

\* The date in the form predates the incorporation of our Company erroneously.

Our Company is promoted by Punit Makharia and Gautam Makharia. For further details, please refer the chapter titled ‘*Our Promoter and Promoter Group*’ beginning on page number 146.

### Shareholders

The total number of shareholders of our Company as on the date of filing this Prospectus is 42. For further details, please refer the chapter titled ‘*Capital Structure*’ beginning on page number 50.

### Mergers and Acquisitions

There have been no mergers or acquisitions of businesses or undertakings in the history of our Company.

### Key Events and Milestones:

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

Calendar year	Event
1993	Incorporated as “ <i>Shree Pushkar Petro Products Limited</i> ” on March 29, 1993
1996	Commenced trading in / imports of related chemical products and dye intermediates
2001	Commenced manufacturing of Gamma Acid at B-103, MIDC Industrial Area Lote Parshuram.
2002	Commenced manufacturing of Amido-G
2003	Commenced manufacturing of G-Salt
2004	Commenced manufacturing of K-Acid and Vinyl Sulphone Ester
2006	Commenced manufacturing of Meta Ureido Aniline and R-Salt
2007	Commenced manufacturing of Di Calcium Phosphate
2008	Acquired additional plot of land at B-102, MIDC Industrial Area, Lote Parshuram for carrying on



Calendar year	Event
	expansion of its manufacturing activities.
2009	Acquired additional plot at D-25, M.I.D.C. Industrial Area, Lote Parshuram, for setting up a plant for manufacturing of fertilizers. Participation by IFCI Venture Capital Funds Limited in the equity share capital of our Company vide execution of Equity Subscription Agreement dated April 27, 2009. Commenced manufacturing of H-Acid
2010	Commenced the Acid division and achieved a turnover of ₹1,000 million
2011	Commenced manufacturing of Single Super Phosphate and Soil Conditioner (Fertilizer) and commissioned a 500KW Captive Power Plant Implemented SAP Opened office in Pune for marketing of fertilizers.
2012	The name of our Company was changed to 'Shree Pushkar Chemicals & Fertilisers Limited' pursuant to a Fresh Certificate of Incorporation dated March 5, 2012, issued by the Registrar of Companies, Maharashtra to reflect the business of our Company more accurately. Launched our own soil conditioner brand "Dharti Ratna" which is being marketed in Western Maharashtra.
2013	Enhanced the capacity of our SSP plant located at D-25, MIDC, Ratnagiri, Maharashtra from 45,000 TPA to 1 Lac Tonnes Per Annum. ISO 14001:2004 and ISO 9001:2008 certificates for both of our manufacturing units
2014	Entered into MoU for acquiring an additional plot at D-18, M.I.D.C. Industrial Area, Lote Parshuram, for setting up a plant for manufacture of fertilizer – Sulphate of Potash.

#### Details in relation to the Business of our Company

For details in relation to our business including description of our activities, products, market of each segment, our growth, technology and market please refer to the chapter titled "Our Business" beginning on page number 103.

#### The Main Objects of our Company

The main object of our Company, as contained in our Memorandum of Association, is as set forth below:

*"To carry on the business of manufacture, imports, exports, distributors, dealers, agents, wholesalers, retailers, jobwork and to deal in all types of petro products such as resin, synthetic organic, inorganic, dyes, pigments, colours, resin used in various process for manufacture of different types of materials viz. marbles, paint, dyestuff, pigments, inorganic, organic chemicals, agro chemical products, fertilizers and insecticides, pesticides, chemical, manure including nitrogenous, phosphoric, potassium like urea, ammonium sulphate, ammonium nitro phosphate and other nitrogen allied chemicals, super phosphate, single, double, triple and allied phosphoric manures, potassium manures and granulated manures, different compositions and of different proportions, diammonium phosphate, muriatic of potash, dolomite gypsum, organic manure, leather chloride, crystals, sodium nitrate, fertilizers, mixtures of calcium nitrate and ammonium nitrate and mixture of calcium nitrate and magnesium nitrate and also in all types of liquid and fertilizers and to manufacture of chemicals, medicines, manures, distillers, dye makers, metallurgists and electrical and mechanical manufacturing and consulting engineering, chemical acids, alkalies, petro chemicals, chemical compounds and chemicals of all kinds like solid, liquid and gaseous, drugs, medicines, pharmaceuticals, antibiotics, tannins, tannin extracts, essences, solvents, plastics of all types, dyestuffs, intermediates, textile auxiliaries, dyes, paints, varnishes, other organic dyestuff, chemicals, disinfectants, insecticides, fungicides, deodorants, bio chemicals, pharmaceuticals, sizing, bleaching, photographic and other preparation and articles and to produce and manufacture seeds, processed, seeds, concentrate for cattle or poultry feed and to manufacture various inorganic and organic compounds by all possible methods now prevalent or as they may be devised in future."*

**Amendments to our Memorandum of Association**

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

<b>AGM/EGM and date</b>	<b>Nature of Amendment</b>
EGM dated July 14, 1995	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹1,000,000 consisting of 100,000 Equity shares of ₹10 each to ₹5,000,000 consisting of 500,000 Equity shares of ₹10 each.
EGM dated September 2, 1996	<b>Change in Main Object Clause</b>  The main object clause of our Company was amended as under: <i>“To carry on the business as manufacturers, exporters, importers wholesalers, retailers, jobwork and deal in all types of petro products such as resin, synthetic organic, non-organic, dyes, colours, resin used in various process for manufacture of different types of materials viz: marble, paint, dyestuff, inorganic, organic chemicals.”</i>
AGM dated October 14, 1996	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹5,000,000 consisting of 500,000 Equity shares of ₹10 each to ₹10,000,000 consisting of 1,000,000 Equity shares of ₹10 each.
EGM dated February 11, 1998	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹10,000,000 consisting of 1,000,000 Equity shares of ₹10 each to ₹26,000,000 consisting of 2,600,000 Equity shares of ₹10 each.
EGM dated March 20, 2006	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹26,000,000 consisting of 2,600,000 Equity shares of ₹10 each to ₹76,000,000 consisting of 7,600,000 Equity shares of ₹10 each.
EGM dated March 30, 2009	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹76,000,000 consisting of 7,600,000 Equity shares of ₹10 each to ₹210,000,000 consisting of 21,000,000 Equity shares of ₹10 each.
EGM dated March 31, 2011	<b>Change in Main Object Clause</b>  The main object clause of our Company was amended to the present main objects.
EGM dated January 5, 2012	<b>Change in Name</b>  Change in the name of our Company from “ <i>Shree Pushkar Petro Products Limited</i> ” to “ <i>Shree Pushkar Chemicals &amp; Fertilisers Limited</i> ”.
EGM dated March 25, 2014	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹2,100,00,000 consisting of 21,000,000 Equity shares of ₹10 each to ₹250,000,000 consisting of 25,000,000 Equity shares of ₹10 each.
AGM dated July 28, 2014	<b>Increase in Authorised Capital</b>  Clause V of our Memorandum of Association was amended for increase in the Authorised



AGM/EGM and date	Nature of Amendment
	Share Capital of our Company from ₹250,000,000 consisting of 25,000,000 Equity shares of ₹10 each to ₹320,000,000 consisting of 32,000,000 Equity shares of ₹10 each.

### Injunction or Restraining Order

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

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

Our Company have experienced time and cost overrun in relation to some of the projects executed by them, as mentioned below:

Sr. no.	Plant	Time overrun (no. of mths)	Cost overrun (₹ in mln)
<b>Acid Complex</b>			
1	Sulphuric Acid & Oleum 23%	6	54.40
2	Oleum 65% , CSA & Power plant	12	
<b>Reasons for delay :</b>			
The delays in setting up the plant in the Acid complex was due to heavy monsoon in Ratnagiri during which delayed the civil work of the project. Further there were delays in obtaining MPCB Clearance by about 4 months as also the disbursement of term loan for the project by SBI was delayed by about 4 months. Also on account of global meltdown there was a general delay of about 3 months.			
<b>Fertiliser Division</b>			
3	Soil Conditioner	3	30.30
4	Single Super Phosphate (SSP)	8	
<b>Reasons for delay</b>			
The delay in setting up the plants in the fertilizer division was due to delays in acquiring the plot of land from MIDC and also due to the fact that there had been a change in the expansion plan of the company. Originally the company had proposed to set up a plant to manufacture Beta Naphthol which was shelved due to fluctuations in the international prices of Naphthalene vis-à-vis Beta Naphthol and then the company changed the expansion plan to manufacture SSP instead of Beta Naphthol.			

For details of related risks, please refer to risk factor number 40 appearing on page number 26 under the section titled 'Risk Factors'.

### Changes in activities of our Company during the last five years

Our Company forayed into a new business vertical 'Fertilisers' by manufacturing SSP and Soil Conditioner in calendar year 2011. Other than this, there has been no change in the activities of our Company in the last five years.

### Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

### Fund raising through equity or debt:

For details in relation to our funds raising activities through equity and debt, please refer to the chapters titled 'Financial Indebtedness' and 'Capital Structure' beginning on page numbers 179 and 50 respectively.

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

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Prospectus.



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

There have been no lock-outs or strikes in our Company since the date of its incorporation.

### **Technology and market competence**

For details on the technology and market competence of our Company, please refer to the chapter titled 'Our Business' beginning on page number 103.

### **Competition**

For details on the competition faced by our Company please see the chapter titled 'Our Business' beginning on page number 103.

### **Holding Company:**

As on the date of this Prospectus our Company is not a subsidiary of any company.

### **Subsidiaries**

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

### **Joint Ventures**

As on the date of this Prospectus, our Company has not entered into any joint ventures.

### **Acquisitions of business / undertakings**

Our Company has neither acquired any entity nor been a party to any scheme of arrangement involved in any scheme of arrangement.

### **Strategic and/ or Financial Partners**

As on the date of this RHP, Our Company does not have any strategic and/ or financial partners

### **Summary of Material Agreements**

***Equity Subscription Agreement ("Subscription Agreement") dated April 27, 2009 among Punit Makharia, Gautam Makharia (together the "Promoters"), IFCI Venture Capital Funds Limited (the "Investor") and our Company***

Pursuant to the Subscription Agreement the Investor had agreed to finance a part of the cost of the project of our Company of setting up plants of sulphuric acid and its derivatives and also a captive power plant at MIDC Lote Parshuram, Khed, District Ratnagiri, Maharashtra (the "**Project**") by subscribing to the equity share capital of our Company to the extent of ₹150 million ("**Subscription amount**"). The total cost of the project was Rs. 405.50 mln. The key relevant terms of the Subscription Agreement are as under:

***Arrangement for Subscription:*** The Investor had subscribed to 5,647,600 equity shares of our Company at a price of ₹ 26.56 per equity share (inclusive of premium of ₹16.56 per equity share). Our Company had given an undertaking that the said amounts shall be used solely for the purpose of meeting a part of the cost of the project and not for any other purpose.

***IPO by our Company:*** Our Company shall bring out a public issue of its equity shares and get its equity shares listed on a recognized stock exchange, to the satisfaction of the Investor, latest by September 30, 2012\* or within such extended period as Investor may decide at its sole discretion.

***Condition precedent:*** The Investor had brought in the subscription amount pursuant to the (a) the Promoters making a further contribution of an amount of ₹ 40 million to the equity share capital of our Company (b) the Promoters making a contribution of ₹ 24 million through internal accruals/own sources (c) our Company



making a further allotment of 3.53 million Equity Shares at par (d) our Company availing a term loan of ₹ 90 million from a financial institution / Bank for the proposed Project to the satisfaction of the Investor.

**Investor rights:** (a) Investor shall have the right to nominate one or more directors of our Company from time to time ("**Nominee Director**"); (b) Our Company shall broaden its Board to the satisfaction of Investor. Company shall take prior written approval of Investor for any appointment / re – appointment of directors except Promoter Directors; (c) In the event any of the Promoters shall resign from the Board, the same shall be subject to the prior approval of Investor. The terms of reappointment of the Promoters shall be subject to approval of Investor (d) Investor shall have the right to appoint, whenever it considers necessary, any person, firm, company or association of persons engaged in technical, management or any other consultancy business to inspect and examine the working of our Company and its factory and report to Investor; (e) Investor shall also have the right to appoint any chartered / cost accountant as auditor for carrying out any specific assignments or conducting a special audit of our Company; (f) Company shall constitute such committees of the Board with such composition and functions as may be required by Investor for closely monitoring Company's workings; any suggestions made by such committees shall be strictly implemented by Company; (g) Our Company shall not recognize or register any transfer of shares in our Company's capital made or to be made by Promoters, their friends or associates, as may be specified by Investor.

**Items requiring prior written approval / concurrence of the Investor:** (a) Our Company shall not transfer the technology or title of any of its products to any party without the prior approval of Investor. Such transfer shall be subject to the terms and conditions as may be stipulated by Investor. (d) Investor's prior concurrence is required for any material changes in our Company's agreements with its machinery suppliers, collaborators, technical consultants and suppliers of raw materials.

Further, our Company shall not, without the prior approval of Investor: (i) undertake any new project, diversification, modernization or substantial expansion of the Project; (ii) acquire any assets on lease or hire-purchase; (iii) issue any securities, convertibles, raise any loans, accept any deposits from public, issue any shares, change its capital structure or create a charge on its assets or give any guarantees; (iv) make rights or bonus issues; (v) sanction any loans to any of its directors or to any persons having substantial managerial powers; (vi) pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any liabilities on behalf of our Company in connection with the Project; (vii) create a subsidiary or permit any company to become its subsidiary; (viii) undertake or permit any and all mergers, restructuring, arrangements, amalgamations, consolidations and divestments of our Company, acquisition of other businesses / companies, creation of a subsidiary or JV, sale or disposal of any or material part of Company's assets or closure of existing business or commencement of new business; (ix) make any investments by way of deposits, loans, share capital, etc. in any concern except in the normal course of business; (x) revalue its assets; (xi) carry on any general trading activity other than the sale of its chemical items / own products and related components in the normal course of business; (xii) enter into any arrangement for the sale of its products and purchase of raw materials and inputs otherwise than in ordinary course of business; (xiii) enter into any fresh agreement for the appointment of sole selling agents / purchasing arrangement; (xiv) remove / appoint / reappoint its key executives; (xv) accept a proposal for addition / deletion / modification of the name of any existing or proposed shareholder of our Company and any modification in the register of shareholders; (xvi) carry out an IPO; (xvii) approve or amend the annual business plan; (xviii) approve the annual accounts of our Company; (xix) declare / pay dividend; (xx) enter into related party transactions; (xxi) voluntarily commence winding up proceedings for insolvency or bankruptcy or initiation of any legal suits by our Company against any parties; (xxii) carry any appointment, engagement or increase in compensation of any person (other than Promoters) with total compensation above ₹ 2 million per annum.

**Currency of the Subscription Agreement:** The Subscription Agreement shall be in force till such time our Company's equity shares are listed on a recognised stock exchange and the Investor is offered an exit route.\*\*

\*The said time limit has now been extended to September 15, 2015.

\*\*The Selling Shareholder vide its letter dated September 24, 2014 has accorded its consent for the Issue.

**Note:** Post completion of public issue comprising of IPO and Offer for Sale and listing of equity shares, the rights of IFCI Venture Capital Fund in terms of equity subscription agreement will not subsist in respect of their balance holding.





***Agreement for buy-back of shares ("Buy-back Agreement") dated April 27, 2009 among Punit Makharia, Gautam Makharia (together the "Promoters"), IFCI Venture Capital Funds Limited (the "Investor") and our Company***

Pursuant to the Subscription Agreement the Investor has agreed to finance a part of the cost of the Project of our Company by subscribing to the equity share capital of our Company to the extent of ₹ 150 million. The Subscription Agreement shall be in force till such time our Company's equity shares are listed on a recognised stock exchange and the Investor is offered an exit route. The Buy-back Agreement deals with the various exit routes made available by the Promoters and our Company to the Investor. The key terms of the Buy-back Agreement are as under:

***IPO by our Company:*** Our Company shall bring out a public issue of its equity shares and get its equity shares listed on a recognized stock exchange, to the satisfaction of the Investor, latest by September 30, 2012 or within such extended period as Investor may decide at its sole discretion. Further, the Investor will be free to sell the equity shares of our Company held by it to any person in the event our Company fails to list its equity shares listed on a recognized stock exchange by September 30, 2012\*.

***Exit route to the Investor:*** In the event our Company fails to list its equity shares the Promoters had undertaken and are under an obligation to buy all the equity shares of our Company held by the Investor on demand and at the sole option of the Investor any time after September 30, 2012\*, at the higher of the (i) book value of the equity shares as per the latest balance sheet of our Company; or (ii) fair price as determined by a merchant banker / valuer / independent firm of chartered accountants appointed by the Investor; or (iii) such price that will give the Investor a net return of 20% per annum compounded annually (excluding the front end fee of any other charges levied by the Investor).

Upon failure of the Promoters to buy-back the said shares within 30 days from the date of demand from the Investor, the Investor shall be free to transfer or sell such shares to any other party at any time thereafter at such price and on such terms and conditions as it may deem fit without making any further reference to the Promoters and our Company. Upon any such sale the Investor shall be entitled to claim from the Promoters the difference of the share price being less than the minimum yield of 20% per annum.

***Drag along right:*** If none of the above exit options including buy-back of equity shares by Promoters materializes by September 2012\* or such extended period as the Investor may decide at its sole discretion, the Investor shall have the right to drag along the Promoters and require them to sell such number of their shares as specified by the Investor along with it to a third party purchaser at the same price at which the Investor is selling the equity shares of our Company held by it.

***Tag along right:*** In case the Promoters, with the consent of the Investor, wishes to transfer part of their shareholding in our Company to any third party, the Investor will have a right to tag along and exercise the option to sell part or whole of its shareholding to the same party at the same price at which the Promoters are selling the equity shares of our Company held by them.

***Security:*** The Promoters had pledged 5,647,600 equity shares of our Company held by them to the Investor as security towards fulfilling their obligation for buy-back of equity shares of our Company subscribed by the Investor.

***Indemnity:*** the Promoters unconditionally undertaken to indemnify the Investor and keep it indemnified for all timed in respect of any expenses, costs, loss or damages suffered by the Investor and/or any claims or demand being preferred against the Investor in respect of or consequent upon (a) failure of the Promoters to buy back the equity holding of the Investor in terms of the Buy-back Agreement and / or (b) consequent upon any of their representations made to the Investor being false or incorrect.

***Currency of the Buy-back Agreement:*** The Buy-back Agreement shall be in force till such time our Company's equity shares are listed on a recognised stock exchange and the Investor is offered an exit route\*\*.

*\*The said time limit has now been extended to December 31, 2015.*

*\*\*The Selling Shareholder vide its letter dated September 24, 2014 has accorded its consent for the Issue.*

***Agreement for Pledge of shares ("Pledge Agreement") dated April 27, 2009 between Punit Makharia ("Pledger") and IFCI Venture Capital Funds Limited (the "Investor")***





**Pledge of Promoter shares:** Vide the Pledge Agreement and in accordance with the terms and conditions stipulated in the Subscription Agreement and the Buy-back Agreement, the Pledger has pledged 5,082,832 equity shares of our Company held by himself with the Investor together with the transfer deeds relating to the said shares duly executed by the Promoter as security for the buy-back arrangement contemplated between Pledger, Gautam Makharia and the Investor. If the Pledger and Gautam Makharia (together the “Promoters”) do not purchase the Investor’s shareholding in terms of the exit mechanism contemplated by the Subscription Agreement and the Buy-back Agreement, the Investor shall be entitled sell the pledged shares to recover costs of sale of the pledged shares to a third party.

**Proceeds from sale of pledged shares:** Pledger has agreed that in case Promoters fail to buy-back the equity shares of our Company held by the Investor at the agreed value within the stipulated time, then without prejudice to the rights of the Investor, the Investor may, at any time, without giving any notice to the Promoters sell the pledged shares or any of them and apply the proceeds thereof firstly in payment of the costs of the sale, secondly in the payment of any costs incurred by the Investor in connection with the pledge by the Promoters and the balance towards buy-back of the said shares. In case there is any balance left after such appropriation, the same shall be paid by the Promoters.

**Release of pledge:** It is agreed between the parties that when the Promoters fulfil their obligations by buying back the entire equity shares of our Company held by the Investor in accordance with the Subscription Agreement and the Buy-back Agreement the Investor shall return the share certificates together with the transfer deeds absolutely to the Pledger.

***Agreement for Pledge of shares (“Second Pledge Agreement”) dated July 30, 2010 between Punit Makharia (“Pledger”) and IFCI Venture Capital Funds Limited (the “Investor”)***

**Pledge of Promoter shares:** Vide the Second Pledge Agreement and in accordance with the terms and conditions stipulated in the Subscription Agreement and the Buy-back Agreement the Pledger has further pledged 94,126 equity shares of our Company held by himself over and above 5,082,832 equity shares of our Company pledged with the Investor together with the transfer deeds relating to the said shares duly executed by the Pledger as security for the buy-back arrangement contemplated between Pledger, Gautam Makharia and the Investor on such terms and conditions same as the Pledge Agreement.

Except as disclosed above, there are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by our Company and there are no material agreements entered into by our Company more than two years before the date of the Red Herring Prospectus.

***Agreement for pledge of shares (“Pledge Agreement”) dated January 24, 2013 between Punit Makharia (“Pledger”) and IFCI Venture Capital Funds Limited (the “Pledgee”)***

Punit Makharia entered into an agreement for pledge of equity shares of Company held by him, to Pledgee as a security to the corporate loan of ₹ 50 million availed by our Company from Pledgee. Pursuant to the Pledge Agreement, Pledger has pledged 2,604,000 unencumbered and fully paid up equity shares of Company to Pledgee, out of which 312,000 equity shares were pledged immediately and 2,292,000 equity shares were pledged after the same are transferred/ released from IEDF.

*As on date, 3,575,896 Equity Shares of Punit Makharia are pledged with IEDF.*

The details of the Equity Shares pledged by the promoter from time to time are as under :

Date of pledge	No of shares pledged
April 27, 2009	50,82,832
July 30, 2010	94,126
May 06, 2011	470,632
January 24, 2013	26,04,000
<b>Total</b>	<b>82,51,590</b>

**Shareholders’ agreement:**

As on the date of this RHP, our Company does not have any subsisting shareholders’ agreement except the Equity Subscription Agreement dated April 27, 2009.

**OUR MANAGEMENT**

Under our Articles, our Company is required to have not less than three (3) Directors and not more than fifteen (15) Directors. Our Company currently has six (6) Directors on its Board. The Chairman and Managing Director of our Company is an Executive Director. Our Company has two whole-time Directors and four Non- Executive Directors which include three Independent Directors and one Nominee Director.

***Our Board***

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

<b>Name, Father's name, Designation, Address, Nationality, Occupation and DIN</b>	<b>Age (years)</b>	<b>Date of Appointment as Director and Term</b>	<b>Other directorships</b>
<b>Punit Makharia</b>  <b>Father's name:</b> Gopikishan Makharia  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> Flat No. 42, Building B-1, Gagan Complex, Gokuldham, Goregaon (East), Mumbai- 400 063, Maharashtra.  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 01430764	45	<i>Date of appointment:</i> Since incorporation  Reappointed as Chairman and Managing Director with effect from April 1, 2011.  <i>Term:</i> 5 years	<i>Public Limited Companies:</i>  NIL  <i>Private Limited Companies:</i>  NIL
<b>Gautam Makharia</b>  <b>Father's name:</b> Gopikishan Makharia  <b>Designation:</b> Joint Managing Director  <b>Address:</b> Flat No.601, 'G' Wing, Satellite Garden, A.K. Vaidya Marg, Goregaon-East, Mumbai, 400 063, Maharashtra.  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 01354843	42	<i>Date of appointment:</i> Since incorporation  Appointed as Joint Managing Director with effect from April 1, 2011  <i>Term:</i> 5 years	<i>Public Limited Companies:</i>  NIL  <i>Private Limited Companies:</i>  Superior Lime Private Limited



Name, Father's name, Designation, Address, Nationality, Occupation and DIN	Age (years)	Date of Appointment as Director and Term	Other directorships
<b>Ramakant Nayak</b>  <b>Father's name:</b> Madhav Govind Nayak  <b>Designation:</b> Director <i>(Non-executive and Independent)</i>  <b>Address:</b> A-11, Anand Dham, Road No. 9, Prabhat Colony, Near Hotel Yatri, Santacruz (East), Mumbai- 400 055, Maharashtra.  <b>Nationality:</b> Indian  <b>Occupation:</b> Professional  <b>DIN:</b> 00129854	70	<i>Date of appointment:</i> December 4, 2010  Reappointed as Independent Director on July 28, 2014  <i>Term:</i> 2 years	<i>Public Limited Companies:</i>  1. Sunteck Realty Limited; 2. Nitin Fire Protection Industries Limited 3. Poddar Developers Limited; 4. Ashapura Intimates Fashion Limited.  <i>Private Limited Companies:</i>  1. Sun Capital Advisory Services Private Limited; 2. Folksreise Tours Private Company  <i>Body Corporate including foreign Companies</i>  1. Sun Global Investments Limited – UK
<b>Nirmal Kedia</b>  <b>Father's name:</b> Bhagirathprasad Kedia  <b>Designation:</b> Director <i>(Non-executive and Independent)</i>  <b>Address:</b> 252, Krishna Bhavan, Ground Floor, Walkeshwar Road, Walkeshwar, Mumbai, 400 006, Maharashtra.  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 00050769	45	<i>Date of appointment as Director:</i> September 8, 2010  Reappointed as Independent Director on July 28, 2014  <i>Term:</i> 2 years	<i>Public Limited Companies:</i>  1. Kirti Investments Limited; 2. Nitin Alloys Global Limited; 3. Nitin Castings Limited.  <i>Private Limited Companies:</i>  1. Prescon Builders Private Limited; 2. Turnkey Software People India Private Limited; 3. Kedia Holding Private Limited; 4. Arrowpoint Technologies Private Limited; 5. Prescon Homes Private Limited; 6. Varunisha Homes Private Limited; 7. Prescon Construction Private Limited; 8. Rajshila Realtors Private Limited; 9. Sanjeev Builders Private Limited.



Name, Father's name, Designation, Address, Nationality, Occupation and DIN	Age (years)	Date of Appointment as Director and Term	Other directorships
<b>Poonam Garg</b> <b>Father's name:</b> Vijay Kumar Gupta <b>Designation:</b> Nominee Director <i>(Non-executive and Non-Independent)</i> <b>Address:</b> A-802, The New Cosmopolitan Apartments, Plot no. 33, Sector 10, Dwarka, New Delhi – 110 075 <b>Nationality:</b> Indian <b>Occupation:</b> Professional <b>DIN:</b> 00049894	47	<i>Date of appointment as Director:</i> March 26, 2013	<i>Public Limited Companies:</i> <ol style="list-style-type: none"> <li>Decore Nano semiconductors Limited;</li> <li>Titan Energy Systems Limited;</li> <li>Decore Science and Technologies Limited;</li> <li>Sharon Solutions Limited;</li> <li>Ganehsa Ecosphere Limited.</li> </ol> <i>Private Limited Companies:</i> <ol style="list-style-type: none"> <li>Amrit Jal Ventures Private Limited.</li> </ol>
<b>Dinesh Modi</b> <b>Father's name:</b> Navnitlal Balgovinddas Modi <b>Designation:</b> Director <i>(Non-executive and Independent)</i> <b>Address:</b> B-22, Sperry Star Co-operative Housing Society Limited, Eksar Road, Borivali (West), Mumbai – 400 091 <b>Nationality:</b> Indian <b>Occupation:</b> Professional <b>DIN:</b> 00004556	64	<i>Date of appointment as Director:</i> June 20, 2012  Reappointed as Independent Director on July 28, 2014  <i>Term:</i> 2 years	<i>Public Limited Companies:</i> <ol style="list-style-type: none"> <li>Arrow Coated Products limited</li> <li>Reliance IDC Limited</li> <li>Reliance Power Transmission Limited</li> </ol> <i>Private Limited Companies:</i> <ol style="list-style-type: none"> <li>DA Toll Road Private Limited</li> <li>HK Toll Road Private Limited</li> <li>PS Toll Road Private Limited</li> </ol>

#### **Brief Profile of our Directors**

**Punit Makharia**, aged 45 years, a resident Indian national, is the Chairman and Managing Director of our Company. He is one of the Promoters of our Company and has been a Director in our Company since its incorporation. He holds a Bachelor's degree in Commerce from Mumbai University. He has more than two decades of experience in the chemical industry and specialises in the sector of dyes and dye intermediates of fertilizers. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations for our Company.

**Gautam Makharia**, aged 42 years, a resident Indian national, is the Joint Managing Director of our Company. He is one of the Promoters of our Company and has been a Director in our Company since its incorporation. He holds a Bachelor's degree in Electronics and Telecommunications from Mumbai University and Master's degree in Business Administration from Manchester Business School, University of Manchester, United Kingdom. He has more than 15 years of experience in the chemical industry and specialises in the sector of dyes and dye intermediates of fertilizers. He is responsible for the production and quality control to be maintained by our Company at our manufacturing facilities situated in Lote Parshuram, Ratnagiri, Maharashtra. He also assists in formulation of corporate policy and strategies for our Company.



**Ramakant Nayak**, aged 70 years, a resident Indian national, is a Non-Executive and Independent Director on the Board of our Company. He holds a Bachelor's degree in Science from Karnatak University, a Bachelor's degree in Law from University of Mumbai and a Diploma in Marketing and Advertising from Rajendra Prasad College of Mass Communications & Media. He is an associate member of The Indian Institute of Bankers. He has more than four decades of experience in the financial services industry particularly commercial banking, manufacturing industry and realty industry.

**Nirmal Kedia**, aged 45 years, a resident Indian national, is a Non-Executive and Independent Director on the Board of our Company. He holds a Bachelor's degree in Commerce from University of Bombay. He has more than two decades of experience in the field of Management, Finance and Legal industry such as Castings, Engineering, Construction and Software Industry.

**Poonam Garg**, aged 47 years, is a Non-Executive and Nominee Director of IFCI Venture Capital Funds Limited on the Board of our Company. She holds a Bachelor's degree in Commerce from University of Delhi and Master's degree in Business Administration from Sikkim Manipal University. She is also a member of The Institute of Cost and Works Accountants of India. She has more than 18 years of experience in the field of private equity, venture capital, management etc.

**Dinesh Modi**, aged 64 years, is a Non-Executive and Independent Director on the Board of our Company. He holds a Bachelor's degree in Commerce from University of Bombay. He is also a law graduate from the University of Bombay. He is a member of the Institute of Company Secretaries of India. He has about four decades of experience in the field of corporate compliance and secretarial.

#### ***Relationship between our Directors and other confirmations***

Punit Makharia and Gautam Makharia are brothers. Hence, they are "relatives" within the meaning of Section 2 (77) of the Companies Act, 2013. Except for this none of our Directors are related to each other.

#### ***Arrangement or understanding with major shareholders, customers, suppliers or others***

There is no arrangement or understanding with major investors, customers, suppliers or others, pursuant to which any of our directors was selected as a Director or a member of our senior management, except the appointment of Poonam Garg on our Board on March 26, 2013 pursuant to investments in our Company by IEDF, a fund of IFCI Venture Capital Funds Limited.

#### ***Service Contracts for benefits upon termination***

As on the date of the Red Herring Prospectus, there are no service contracts entered into by and between our Directors and our Company whereby benefits would be provided upon termination of employment.

#### ***Borrowing Powers of our Board of Directors***

Our Articles of Association, subject to the provisions of the Companies Act, 2013 authorize the Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company.

The shareholders have, pursuant to a resolution adopted at the EGM dated September 24, 2014 authorized the Board to borrow sums from time to time, for the purpose of conducting the business of our Company, as they may deem requisite notwithstanding the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) will or may exceed an aggregate of the paid-up capital of our Company and its free reserves that the total amount up to which the money may be borrowed by the Board of Directors shall not exceed at any time ₹ 5,000 million.

For further details of the provisions of our Articles of Association, please refer to the chapter titled "*Main Provisions of our Articles of Association*" beginning on page number 270.

**Terms and Conditions of Employment of our Executive Directors****Punit Makharia, Chairman and Managing Director**

Punit Makharia is the Chairman and Managing Director of our Company. He was appointed the Chairman and Managing Director on the Board of Directors of our Company on April 1, 2011. Further, he was appointed as the Chairman and Managing Director of our Company *vide* agreement dated October 1, 2011 entered into by and between our Company and Punit Makharia, for a tenure of five (5) years with effective period from April 1, 2011 till March 31, 2016. The remuneration payable to Punit Makharia towards salary is ₹ 2.40 mn p.a.

The key terms of appointment of Punit Makharia are as follows:

Tenure of Appointment	For a period of 5 (five) years with effect from April 1, 2011 till March 31, 2016
Basic Salary	As decided by the Board of Directors, from time to time, Punit Makharia will be paid a salary in the range of ₹ 0.12 million to ₹ 0.25 million per month
Other Terms and Conditions	<p><b>Category "A"</b></p> <ul style="list-style-type: none"> <li><i>Housing:</i> Furnished/unfurnished residential accommodation or house rent allowance up to 10% of the salary in lieu thereof.</li> <li>The expenditure incurred for gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the basic salary of the Managing Director.</li> <li><i>Medical reimbursement:</i> The expenditure incurred for self and family, as decided by the Board from time to time.</li> <li><i>Leave travel concession:</i> For self and family, once in a year in accordance with the rules of our Company.</li> <li><i>Club fees:</i> Fees of clubs, subject to a maximum of two clubs. This will not include life membership fees.</li> <li><i>Personal medical/accident insurance:</i> Personal medical/accident insurance of an amount, the annual premium of which shall be paid as per the rules of our Company.</li> </ul> <p><b>Category "B"</b></p> <ul style="list-style-type: none"> <li>Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</li> <li>Gratuity payable at a rate not exceeding half a months' salary for each completed year of service.</li> <li>Encashment of leave at the end of the tenure.</li> </ul> <p><b>Other terms</b></p> <ul style="list-style-type: none"> <li>Reimbursement of all actual expenses as per the rules of our Company including on entertainment and travel incurred in the course of the business of our Company.</li> <li>Fully paid leave as per the rules of our Company as applicable to the senior executives.</li> <li>Housing loan as applicable in accordance with the rules of our Company, subject to applicable provisions of the Companies Act, 1956.</li> <li>Benefits under all other schemes, privileges and amenities as are granted to the senior executives of our Company in accordance with our Company's practice, rules and regulations in force from time to time.</li> <li>No sitting fees would be payable for attending the meetings of the Board or of a committee thereof.</li> </ul>
Termination of Employment	The appointment shall be terminated by our Company by giving him six months' notice or on payment of six months' basic salary in lieu thereof and by him by giving six months' notice.

*The total remuneration payable by our Company to Punit Makharia including the perquisites above shall not exceed the limits prescribed by the applicable provisions of the Companies Act, 2013.*

**Gautam Makharia, Joint Managing Director**

Gautam Makharia is the Joint Managing Director of our Company. He was appointed the Joint Managing Director on the Board of Directors of our Company on April 1, 2011. Further, he was appointed as the Joint Managing Director of our Company *vide* agreement dated October 1, 2011 entered into by and between our Company and Gautam Makharia, for a tenure of five (5) years with effective period from April 1, 2011 till March 31, 2016. The remuneration payable to Gautam Makharia towards salary is ₹ 2.40 mn p.a.



The key terms of appointment of Gautam Makharia are as follows:

Tenure of Appointment	For a period of 5 (five) years with effect from April 1, 2011 till March 31, 2016
Basic Salary	As decided by the Board of Directors, from time to time, Punit Makharia will be paid a salary in the range of ₹ 0.12 million to ₹ 0.25 million per month.
Other Terms and Conditions	<p><b>Category "A"</b></p> <ul style="list-style-type: none"> <li>• <i>Housing</i>: Furnished/unfurnished residential accommodation or house rent allowance up to 10% of the salary in lieu thereof.</li> <li>• The expenditure incurred for gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the basic salary of the Joint Managing Director.</li> <li>• <i>Medical reimbursement</i>: The expenditure incurred for self and family, as decided by the Board from time to time.</li> <li>• <i>Leave travel concession</i>: For self and family, once in a year in accordance with the rules of our Company.</li> <li>• <i>Club fees</i>: Fees of clubs, subject to a maximum of two clubs. This will not include life membership fees.</li> <li>• <i>Personal medical/accident insurance</i>: Personal medical/accident insurance of an amount, the annual premium of which shall be paid as per the rules of our Company.</li> </ul> <p><b>Category "B"</b></p> <ul style="list-style-type: none"> <li>• Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</li> <li>• Gratuity payable at a rate not exceeding half a months' salary for each completed year of service.</li> <li>• Encashment of leave at the end of the tenure.</li> </ul> <p><b>Other terms</b></p> <ul style="list-style-type: none"> <li>• Reimbursement of all actual expenses as per the rules of our Company including on entertainment and travel incurred in the course of the business of our Company.</li> <li>• Fully paid leave as per the rules of our Company as applicable to the senior executives.</li> <li>• Housing loan as applicable in accordance with the rules of our Company, subject to the applicable provisions of the Companies Act, 1956.</li> <li>• Benefits under all other schemes, privileges and amenities as are granted to the senior executives of our Company in accordance with our Company's practice, rules and regulations in force from time to time.</li> <li>• No sitting fees would be payable for attending the meetings of the Board or of a committee thereof.</li> </ul>
Termination of Employment	The appointment shall be terminated by our Company by giving him six months' notice or on payment of six months' basic salary in lieu thereof and by him by giving six months' notice.

*The total remuneration payable by our Company to Gautam Makharia including the perquisites above shall not exceed the limits prescribed by the applicable provisions of the Companies Act, 2013.*

Our Company does not have any bonus and / or profit sharing plan for the executive directors.

#### **Terms and Conditions of Employment of Non-Executive Directors**

Our Non-Executive Directors (including Independent Directors) are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board. Currently, the sitting fees payable by our Company to our Non- Executive Directors is ₹ 3,500 for every meeting of the Board and of a committee thereof attended by them.

Non-executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.



**Shareholding of our Directors**

As per our Articles of Association, our Directors are not required to hold any Equity Shares in our Company.

The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of the Red Herring Prospectus:

Sr. No.	Directors	Number of Equity Shares	Pre-Issue (%) of holding in our Company
1.	Punit Makharia	12,367,593	59.72
2.	Gautam Makharia	4,328,301	20.90

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

None of our Directors are currently or have been, in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the NSE or BSE.

***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 being traded on 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 other remuneration payable and reimbursement of expenses payable to them, if any under our Articles of Association and to the extent of the remuneration paid to them, if any for services rendered as an officer or employee of our Company.

Our Directors Punit Makharia and Gautam Makharia may be deemed to be interested to the extent of the unsecured loan provided to our Company. Further, 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 our Company with either the Director 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 for Punit Makharia and Gautam Makharia, none of our Directors have any interest in the promotion of our Company.

*Interest in the property of our Company*

Except as stated above, our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Red Herring Prospectus nor do they 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*

Further, save and except as stated otherwise in “Annexure XI - Related Party Transactions” in the chapter titled “Financial Information” beginning on page number 171, our Directors do not have any other interests in our Company as on the date of the Red Herring Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

*Changes in our Board of Directors in the past three years*

Save and except as mentioned herein below, there had been no change in the constitution of our Board since the past three years from the date of filing this Prospectus:

Name	Date of Appointment / Reappointment	Date of Cessation	Reason
Satpal Arora	May 3, 2012	October 12, 2012	Nominee Director changed by IFCI Venture Capital Funds Limited
Dinesh Modi	June 20, 2012	-	Appointed as Independent Director
Sachin Sharma	October 12, 2012	March 26, 2013	Nominee Director changed by IFCI Venture Capital Funds Limited
Poonam Garg	March 26, 2013	-	Nominee Director appointed by IFCI Venture Capital Funds Limited

*Corporate Governance*

The provisions of the Listing Agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of such Listing Agreements, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Nomination and Remuneration Committee, and Investors / Shareholder Grievance Committee-cum-Share Transfer Committee-cum-Stakeholders Relationship Committee (“**Stakeholder’s Relationship Committee**”). Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Further, our Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreements to be entered into with the Stock Exchanges.

*Composition of Board of Directors*

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreements. Our Board has six Directors out of which three are independent directors in accordance with the requirement of Clause 49 of the Listing Agreements.

*Committees of the Board*

Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder’s Relationship Committee
4. Corporate Social Responsibility Committee and
5. IPO Committee



*Details of the Committees are as under:*

#### **Audit Committee**

The Audit Committee was originally constituted by the Board of Directors at a meeting held on September 9, 2010 and reconstituted on September 24, 2012, and June 20, 2013. As on the date of this Prospectus the Audit Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Ramakant Nayak	Chairman	Non Executive Independent Director
Dinesh Modi	Member	Non Executive Independent Director
Punit Makharia	Member	Chairman and Managing Director

Our Company Secretary, Kishan Bhargav is the secretary of the Audit Committee.

#### **Terms of Reference of Audit Committee**

The terms of reference of Audit Committee comply with the requirements of the Listing Agreement and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as follows:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. 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. Review and monitor the auditors independent and performance, and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to, but not restricted to:
  - a. Matters required to be included in the 'Director's Responsibility Statement' to be included in our Board's report in terms of subsection 5 of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
6. Approval or any subsequent modification of transactions of our Company with related parties;
7. Scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of our Company, wherever it is necessary;
8. Reviewing with the management the half yearly financial statements before submission to the Board for approval;
9. 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 of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. 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; discussion with internal auditors of any significant findings and follow-up thereon;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. 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;
14. 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;



15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. To review the functioning of the 'whistle blower' mechanism, in case the same is existing;
17. 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 and background of the candidate;
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The minutes of the meetings of the Audit Committee shall be circulated to all members if the Board, and the Chairman shall, as a minimum, attend the Board meeting at which the accounts are approved. The Audit Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board. The Chairman of the Audit Committee shall attend the AGM and shall answer questions, through the Chairman of the Board, on the audit Committee's activities and their responsibilities.

The Audit Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. 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.

#### ***Nomination and Remuneration Committee***

The constitution of the Nomination and Remuneration Committee was approved at a meeting of the Board of Directors held on September 24, 2012. As on the date of this Prospectus the Nomination and Remuneration Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Nirmal Kedia	Chairman	Non Executive Independent Director
Ramakant Nayak	Member	Non Executive Independent Director
Dinesh Modi	Member	Non Executive Independent Director

Our Company Secretary, Kishan Bhargav is the secretary of the Nomination and Remuneration Committee.

#### **Scope of Nomination and Remuneration Committee**

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks
  - (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals.

**Stakeholder's Relationship Committee**

The Stakeholder's Relationship Committee has been formed by the Board of Directors at the meeting held on September 24, 2012. As on the date of this Prospectus the Stakeholder's Relationship Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Dinesh Modi	Chairman	Non Executive Independent Director
Nirmal Kedia	Member	Non Executive Independent Director
Ramakant Nayak	Member	Non Executive Independent Director

Our Company Secretary, Kishan Bhargav is the secretary of the Stakeholder's Relationship Committee.

**Terms of Reference of Stakeholder's Relationship Committee**

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges and its terms of reference include the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. To look after matters relating to dematerialisation and rematerialization of shares;
3. Redressal of shareholders and investor complaints like transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
4. Issue of duplicate / split / consolidated share certificates;
5. Allotment and listing of shares;
6. Review of cases for refusal of transfer / transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. To otherwise ensure proper and timely attendance and redressal of investor grievances.

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of our Company was constituted by the Board of Directors at their meeting held on September 22, 2014. The members of the Corporate Social Responsibility Committee are:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Punit Makharia	Chairman	Chairman and Managing Director
Gautam Makharia	Member	Joint Managing Director
Dinesh Modi	Member	Non Executive Independent Director

**IPO Committee**

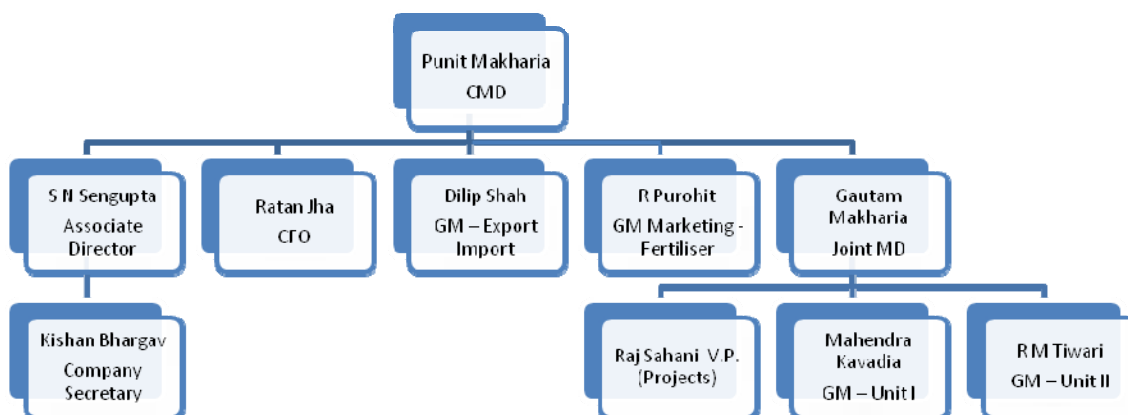
The IPO Committee of our Company has been constituted by the Board of Directors at the meeting held on September 24, 2012. The IPO Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Punit Makharia	Chairman	Chairman and Managing Director
Gautam Makharia	Member	Joint Managing Director
Dinesh Modi	Member	Non Executive Independent Director

Our Company Secretary, Kishan Bhargav is the secretary of the IPO Committee.



### Management Organizational Structure of our Company



### 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:

**Somendra Nath Sengupta**, aged 70 years is Associate Director - (Corporate Planning, Financial Planning, Project Implementation) of our Company. He holds a bachelor's degree in science from University of Bombay. He has also done Post Graduation Diploma Course in Business Management from Marathwada University. He is an Associate Member of the Indian Institute of Chemical Engineers since 1986. He has an experience of around 33 years in project financing and techno economic feasibility studies of industrial projects, and has also played a major role in setting up a merchant banking division in Maharashtra State Financial Corporation. He joined our Company as a consultant on August 1, 2007. Prior to joining our Company, he was working with Maharashtra State Financial Corporation and held various senior positions in the organizations like regional manager and also officiated as zonal manager and technical wing until his retirement. The fees paid to him for the fiscal year 2015 was ₹ 900,000.

**Mahendra Kavadia**, aged 51 years is a General Manager- Unit I Head of our Company. He has obtained a bachelor's degree in science from Vikram University, Ujjain. He has over 28 years of experience in the field of dyes, chemicals and fertilisers etc. and prior to joining our Company he was associated with Metro Dye Chemicals Limited as a lab chemist for one year. He joined our Company as a General Manager (works) Unit- I on May 22, 2012. The remuneration paid to him, inclusive of perquisites and other benefits, in the Fiscal 2015 was ₹ 792,000.

**Raj Mani Tiwari**, aged 55 years is the General Manager – Unit II Head of our Company. He has obtained a Diploma in Mechanical Engineering from Govind Ballabh Pant Polytechnic, Lucknow. He has 29 years of experience in manufacturing of fertilizers and prior to joining our Company he was associated with Rohan Dyes and Intermediate Vatva, Ahmedabad. He joined our Company on March 7, 1998 and he is currently responsible for managing and supervising of the plant. The remuneration paid to him, inclusive of perquisites and other benefits, in the Fiscal 2015 was ₹ 306,000.

**Dilip Shah**, aged 52 years is the General Manager- Export Import of our Company. He holds a bachelors degree in commerce from University of Mumbai. He joined our Company on May 2, 2012. He has 27 years of experience in the field of Import and Export. Prior to joining our Company he was associated with Mardia Chemicals as a manager. The remuneration paid to him, inclusive of perquisites and other benefits, in the Fiscal 2015 was ₹ 720,000.

**Rakesh Purohit**, aged 44 years is General Manager – (Fertilizers Marketing) of our Company. He has obtained a bachelor's degree in science from Rajasthan University. He has also obtained a master's degree in Marketing from University of Rajasthan and a diploma in export management from Indian Institute of Export Management, Bangalore. He has over 20 years of experience in strategic planning, marketing/business development, new market development, channel management and distribution, key account management and cost management and prior to joining our Company was associated with Rama Phosphate Limited. He joined our Company on May 1,



2011. The remuneration paid to him, inclusive of perquisites and other benefits, in the Fiscal 2015 was ₹ 552,000.

**Rajkumar Sahani**, aged 65 years is Vice President-Projects of our Company. He has a degree in chemical engineering from Harcourt Buttlar Technical Institute, Kanpur. He is a fellow member of The Institution of Engineers (India) and Oil Technologists' Association of India. He is also a graduate member of Indian Institute of Chemical Engineers. He has over 42 years of experience in setting up various chemical plants and prior to joining our Company was associated with R.C. Fertilisers Private Limited as vice president (projects and operations). He joined our Company on May 2, 2015. No remuneration has been paid to him in the Fiscal 2015.

**Ratan Jha**, aged 30 years is the Chief Financial Officer of our Company. He holds a master's degree in commerce from University of Mumbai. He is also a qualified Chartered Accountant. He joined our Company on April 10, 2012 as Chief Accountant. He was reappointed as Chief Financial Officer of our Company on June 20, 2013. He has an experience of 4 years in accountancy and taxation. Prior to joining our Company, he was working with Prabhudas Lilladher Private Limited as Manager in the settlement team. The remuneration paid to him, inclusive of perquisites and other benefits, in the Fiscal 2015 was ₹ 1,110,000.

**Kishan Bhargav**, aged 27 years is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from Mumbai University. He has also obtained bachelor's degree in law from Mumbai University. He holds a diploma in Human Resource Management (Distance Learning) from L. N. Welingkar Institute of Management Development & Research, Mumbai. He is a qualified Company Secretary. He has joined our Company on January 23, 2014. He has an experience of around 3 years in corporate compliance and secretarial matters. Prior to joining our Company, he was practising as a senior trainee at a practising company secretary firm named Hemanshu Kapadia & Associates. The remuneration paid to him, inclusive of perquisites and other benefits, for the Fiscal 2015 was ₹ 350,000.

**Notes:**

- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Key Managerial Personnel was selected as member of senior management.
- None of our Key Managerial Personnel are "related" to the Promoters or Directors of our Company within the meaning of Section 2 (77) of the Companies Act, 2013. None of the Key Managerial Personnel are related to each other.

**Interest of Key Managerial Personnel**

All our Key Managerial Personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to / in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

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

Except for terms set forth in the appointment/engagement letters, our key managerial personnel have not entered into any other contractual arrangements with our Company.

**Shareholding of the Key Managerial Personnel**

Equity shares held by our Key Managerial Personnel as on the date of this Prospectus:

Name of the Key Managerial personnel	No. of Equity shares held
Mr. Rakesh Purohit	5,000
Mr. Dilip Shah	2,500
Mr. Raj Mani Tiwari	2,500
Mr. Mahendra Kavadia	1,000





Name of the Key Managerial personnel	No. of Equity shares held
Mr. Kishan Bhargav	500
<b>Total</b>	<b>11,500</b>

***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.

***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:

Name	Designation	Date of Appointment	Date of Resignation
Vaishali Parab	Company Secretary	September 15, 2012	December 23, 2013
Kishan Bhargav	Company Secretary and Compliance Officer	January 23, 2014	-
Rajkumar Sahani	Vice President- Projects	May 2, 2015	-

***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 date, our Company has 528 employees. 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 112.

***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 as stated above and the payment of salaries, perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapters titled "Financial Information" and "Our Business" on page numbers 152 and 103, we have not paid / given any amount or benefit to the officers of our Company, since incorporation 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.

***Prohibition on Forward Dealing in Equity Shares and other Securities of our Company by Directors and/or Key Managerial Personnel***

Under the Companies Act, 2013 Directors and key managerial personnel are prohibited from undertaking any forward contracts for the buying and selling of the Equity Shares and other securities of our Company, its associates and holding company.



## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters:

Punit Makharia and Gautam Makharia are the Promoters of our Company.

### Brief profile of our Promoters is as under:



**Punit Makharia**, aged 45 years, is the Chairman and Managing Director of our Company. He is one of the Promoters of our Company and has been a Director in our Company since its incorporation. He holds a Bachelors degree in Commerce from Mumbai University. He has more than two decades of experience in the chemical industry and specialises in the sector of dyes and dye intermediates of fertilizers. He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations for our Company.

**Passport No:** J5471336

**Learner License:** LL/27019/15

**Voter ID:** He does not hold a voter ID



**Gautam Makharia**, aged 42 years, is the Joint Managing Director of our Company. He is one of the Promoters of our Company and has been a Director in our Company since its incorporation. He holds a Bachelors degree in Electronics and Telecommunications from Mumbai University and Masters degree in Business Management from Manchester Business School University of Manchester, United Kingdom. He has more than 15 years of experience in the chemical industry and specialises in the sector of dyes and dye intermediates of fertilizers. He is responsible for the production and quality control to be maintained by our Company at our manufacturing facilities situated in Lote Parshuram, Ratnagiri, Maharashtra. He also assists in formulation of corporate policy and strategies for our Company.

**Passport No:** F9454098

**Driving License:** MH-02 20090087398

**Voter ID:** He does not hold a voter ID

### Declaration

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters has been submitted to the Stock Exchanges at the time of filing the Red Herring Prospectus.

### 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 influencing significant control over the management and policy decisions of our Company.

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

Our Company has entered into a leave and license agreement dated July 12, 2012 with Bhanu Makharia mother of our Promoters for the property situated at Gala no. 202 – A, Building no. 3, Rahul Mittal Industrial Estate, Sir M.V. Road, Andheri (East), Mumbai – 400 059 admeasuring 1,000 sq. ft. as Registered Office of our Company. In terms of the said agreement our Company is required to pay ₹ 15,000 per month to Bhanu Makharia and the same is paid with effect from April 1, 2012.

Except as disclosed above, 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, or in any transaction by our Company for



acquisition of land, construction of building or supply of machinery.

*Interest as member of our Company*

Punit Makharia holds 12,367,593 Equity Shares and Gautam Makharia holds 43,28,301 Equity Shares aggregating to 59.72 % and 20.90% respectively of pre-Issue Equity Share Capital in our Company and is therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

*Interest as a creditor of our Company*

As on March 31, 2015 of this Prospectus our Company has availed unsecured loans of ₹ 0.69 million from the Promoters of our Company.

*Interest as Director of our Company*

Punit Makharia and Gautam Makharia as given in the chapter titled “Our Management” beginning on page number 103, our Promoters / Directors, may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 1956 and Companies Act, 2013 and in terms of agreements entered into with our Company and AoA of our Company.

*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 chapter titled ‘Our Group Company’ beginning on page number 149, there are no other ventures of our Promoters in which they have business interests/other interests.

**Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to the “Related Party Transaction” as Restated, appearing as Annexure XI of the section titled “Financial Information” beginning on page number 171 .

**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:

**a) Natural Persons who form part of our Promoter Group:**

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI ICDR Regulations form part of our Promoter Group:

Relationship	Punit Makharia	Gautam Makharia
Father	Gopikishan Makharia	Gopikishan Makharia
Mother	Bhanu Makharia	Bhanu Makharia
Spouse	Ranjana Makharia	Aradhana Makharia
Brother	Gautam Makharia	Punit Makharia
Sister	-	-
Son	Raghav Makharia	Kush Makharia
Daughter	Radhika Makharia	Agrima Makharia
Spouse’s Father	Suresh Choudhary	Balmukund Lohia
Spouse’s Mother	Sashi Choudhary	Usha Lohia
Spouse’s Brother	Pawan Choudhary	-
Spouse’s Sister	Babita Goyal	Ananya Lohia



**b) Entities forming part of the Promoter Group**

**i. Companies**

1. Choudhary Poly Silks Private Limited;
2. Shree Dayal Tours & Travels Private Limited ;
3. Kisan Phosphates Private Limited;
4. Superior Lime Private Limited

**ii. Hindu Undivided Family**

Nil

**iii. Partnership Firms**

1. M/s. Dayal Impex

**Payment or benefit to the promoter group of our Company**

Except as stated in the chapters “*Related Party Transactions Annexure XI – Financial Information*”, “*Our Management*” and “*Our Promoters and Promoter Group*” on page numbers 171, 132 and 146 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of the Red Herring Prospectus.



## OUR GROUP COMPANY

Our Group Company is Superior Lime Private Limited (“SLPL”)

Unless otherwise stated our Group Company is not a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and have not incurred any losses or have negative cash flows or have negative networth or is in the process of winding up. Further, our Group Company, has not made any public issue of securities in the preceding three years. As on the date of this Prospectus, there is only one entity the details of which is mentioned below which falls under section 370 (1) (B) of the Companies Act, 1956.

The detail of our Group Company is provided below:

### Superior Lime Private Limited (“SLPL”)

#### Corporate information

SLPL was incorporated on February 1, 2013 as a private limited company under the Companies Act, 1956 and registered with the Registrar of Companies, Mumbai, Maharashtra. The CIN of SLPL is U24200MH2013PTC240127. SLPL has been formed to carry on the business of manufacturing, processing and dealing in minerals and mineral products including lime, limestone, limestone powder, cement products, etc.

#### Interest of Promoters

Gautam Makharia holds 5,000 equity shares of SLPL constituting 50% of the equity share capital of SLPL.

#### Financial information

Particulars	₹ In million except per share data	
	For the year ended	
	March 31, 2014	March 31, 2013
Equity capital (Face Value ₹ 10 per share)	0.1	0.1
Reserves (excluding revaluation reserve)	(0.001)	(0.001)
Net Asset Value per equity share	9.88	9.88

#### Related business transactions and significance on the financial performance of our Company and SLPL

For details of related party transactions entered into by our Company with our group companies, please refer to “Related Party Transactions”, appearing as Annexure XI of the chapter titled “Financial Information” beginning on page number 171.

#### Other Confirmations

SLPL has no business interest in our Company.

#### Interest in promotion of our Company

SLPL is not interested in the promotion of our Company.

#### Interest in the property of our Company

SLPL does 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 in the transaction involving acquisition of land

SLPL is not interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Further, SLPL has not been detained as willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or currently pending against it. SLPL has



not been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

### Litigation

For details relating to legal proceedings involving the Promoters and SLPL, please refer to the chapter titled 'Outstanding Litigation and Material Developments' beginning on page number 184.

### Companies / Firms from which our Promoters have disassociated themselves in last 3 (three) years

None of our Promoters, have disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of this except as stated below:

Name of Promoter	Company from which disassociated	Relationship	Details of disassociation	Reasons for disassociation	Circumstances leading to disassociation
Punit Makharia	Innovative India Overseas Private Limited	Director and majority shareholder	Resigned as director w.e.f June 2, 2012 and ceased to be a shareholder w.e.f December 27, 2013	Business interests	Change of management of the company
	Dwarka Securities Private Limited	Shareholder	Ceased to be a shareholder w.e.f January 30, 2012	Business interests	Change of management of the company
	Makharia Overseas Private Limited	Shareholder	Ceased to be a shareholder w.e.f January 30, 2012	Business interests	Change of management of the company
Gautam Makharia	Kisan Phosphates Private Limited	Director and majority shareholder	Resigned as director w.e.f October 15, 2012 and ceased to be a shareholder w.e.f August 16, 2012	Business interests	Change of management of the company
	Dwarka Securities Private Limited	Shareholder	Ceased to be a shareholder w.e.f January 30, 2012	Business interests	Change of management of the company
	Makharia Overseas Private Limited	Shareholder	Ceased to be a shareholder w.e.f January 30, 2012	Business interests	Change of management of the company

### Sale/Purchase between Group Company

There is no transaction of sales/ purchase between the Group Company, where such sales/ purchase exceeds 10% of total sales/ purchase of our Company as of date of this RHP.

### Common Pursuits

Except as stated elsewhere in this RHP, there are no common pursuits amongst any of the Group Company and our Company.

### Payment or Benefit to our Group Company

There are no payments or benefits to our group company.



## **DIVIDEND POLICY**

Under the Companies Act, 1956 and the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease or 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 will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. Our Company has not paid annual dividends in the past in order to plough back the surplus. The management would put in place a distribution policy commensurate with future growth plans and available surplus.





## SECTION V – FINANCIAL INFORMATION

### FINANCIAL INFORMATION

#### RESTATED FINANCIAL INFORMATION

08/05/ 2015

To,  
The Board of Directors of Shree Pushkar Chemicals and Fertilisers Limited  
202, A Wing, Building No. 3,  
Rahul Mittal Industrial Estate,  
Sir M.V. Road, Andheri (East),  
Mumbai – 400 059, Maharashtra

Dear Sirs,

**Re:** Proposed Initial Public Offering of equity shares by Shree Pushkar Chemicals and Fertilisers Limited,  
("Company")

**Sub:** Report on Audited and Restated Financial Statements

1. This report is issued in accordance with the terms of our engagement letter dated 02<sup>nd</sup> August, 2014.
2. The accompanying restated audited financial information, expressed in Indian Rupees, in Million, ("**Restated Financial Information**") of the Company comprising the financial information as detailed in paragraph A below and Other Financial Information as detailed in paragraph B below, has been prepared by the management of the Company in accordance with the requirements of the Companies Act, 2013 (hereinafter referred to as the "**Act**") and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**") issued by the Securities and Exchange Board of India (the "**SEBI**") in connection with the proposed initial public offering of Equity Shares of the Company (the "**Issue**") and has been approved by the Board of Directors and initialed by us for identification purposes. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company as at and for the years ended on March 31, 2015, 2014, 2013, 2012 and 2011 all expressed in Indian Rupees. The financial statements of the Company for the years ended March 31, 2011 and 2010, were audited and reported upon by I. S. Parihar having ICAI Membership Number 49614, representing then statutory auditors of the Company, Parihar & Associates, Chartered Accountants., (ICAI Firm Registration Number 115701w), as proprietor, for which they have expressed unmodified audit opinions vide their reports dated September 08, 2011 and September 17, 2010 respectively. The financial statements of the Company for the years ended March 31, 2013 and 2012, were audited and reported upon by Saurabh Agarwal having ICAI Membership Number 119139, representing then statutory auditors of the Company, M/s K C P L & Associates, Chartered Accountants., (ICAI Firm Registration Number 119223w), as partner, for which they have expressed unmodified audit opinions vide their reports dated September 28, 2013 and September 24, 2012 respectively. We have relied on the audited financial statements of the Company for the financial year ended on March 31, 2013, 2012, 2011 & 2010 and have not carried out any audit tests or review procedures on such financial statements of the Company for the years ended on these respective dates. Since we did not perform the audit for the above years, the financial information included for such years is solely based on the audit report submitted by M/s K C P L & Associates, Chartered Accountants., (ICAI Firm Registration Number 119223w) for the relevant years. The financial statements of the Company for the year ended on March 31, 2014 & 2015 have been audited by us for which we have expressed unmodified audit opinion vide our report dated July 05, 2014 & May 04, 2015.

#### Management's Responsibility for the Restated Financial Information

3. The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the management of the Company. The Board of Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.



## **Auditors' Responsibility for the Restated Financial Information**

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards and in accordance with the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

### **A. Financial Information as per audited financial statements:**

5. We have examined the following summarized financial statements of the Company contained in Restated Financial Information of the Company:

- a) The "Restated Statement of Assets and Liabilities" as at March 31, 2015, 2014, 2013, 2012 and 2011 (enclosed as **Annexure I**);
- b) The "Restated Statement of Profit and Loss" for the years ended on March 31, 2015, 2014, 2013, 2012 and 2011 (enclosed as **Annexure II**); and
- c) The "Restated Statement of Cash Flows" for the years ended as at March 31, 2015, 2014, 2013, 2012 and 2011 (enclosed as Annexure III).

6. The Restated Financial information, expressed in Indian Rupees in million, has been derived from the audited financial statements of the Company as at and for the years ended as at March 31, 2015, 2014, 2013, 2012 and 2011, all of which were, expressed in Indian Rupees.

7. We draw your attention to the following:

- a) The Restated Financial Information should be read in conjunction with the Statement of Significant Accounting Policies and Notes to the Restated Statements enclosed as Annexure IV;
- b) The Restated Financial information does not contain all the disclosures required by the Accounting Standards, since such disclosure is not required for preparation and presentation of Restated Financial Information.

### **B. Other Financial Information:**

8. At the Company's request, we have also examined the following Other Financial Information relating to the Company as at and for the years ended on March 31, 2015, 2014, 2013, 2012 and 2011, proposed to be included in the Offer Document, prepared by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

- i. Statement of Accounting Ratios, enclosed as Annexure V
- ii. Statement of Capitalisation, as appearing in Annexure VI
- iii. Statement of Contingent Liabilities, enclosed as Annexure VII
- iv. Statement of Rates and Amount of Dividends, enclosed as Annexure VIII
- v. Statement of Tax Shelter, enclosed as Annexure IX
- vi. Statement of Earnings Per Share, enclosed as Annexure X
- vii. Statement of Related Party Transactions as Annexure XI

### **9. Opinion**

In our opinion:

- a) The Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation of financial information and respective significant accounting policies have been prepared in accordance with the Act and the SEBI Regulations;



- b) There are no Changes in Accounting Policies. The Company Follows same accounting treatment as per the accounting policies as on March 31, 2015, for all the reporting years;
  - c) The material adjustments relating to previous years have been adjusted in the year to which they relate;
  - d) There are Qualifications in the Auditors Report for the year 2011-12 & 2012-13 on the Internal Control, Maintenance of Inventory Records which were implemented & Addressed During the Financial year 2013-2014. The Qualifications are not affecting the Financials & for improvements of Systems only.
  - e) There are no extra-ordinary items which needs to be disclosed separately.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by another firm of chartered accountants on the financial statements of the Company.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Yours faithfully,

**For: M/s. Jajodia & Company**  
**Chartered Accountants**  
**ICAI Firm Reg. No.: 121911W**  
**Proprietor**  
**Membership No.: 101008**  
**Place: Mumbai**


**Annexure I – Statement of Assets and Liabilities, as restated**

₹ in Million

Particulars	Notes No.	Period ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Fixed assets	1					
Tangible assets		598.00	580.54	473.36	499.22	341.57
Intangible assets		-	-	-	-	-
Capital work in progress		93.15	-	103.37	29.13	143.83
Non - current investments	2	0.51	0.51	0.51	0.51	0.51
Long - term loans and advances	3	12.29	6.54	16.75	7.19	14.48
Other non - current assets	4	10.16	3.88	2.38	4.00	2.93
<b>Current Assets</b>						
Inventories	5	316.44	601.46	737.20	649.10	366.09
Trade receivables	6	289.59	293.53	226.33	214.67	144.07
Cash and cash equivalents	7	31.91	47.53	36.92	42.57	30.60
Short - term loans and advances	8	34.98	23.74	4.19	5.82	4.89
Other Current Assets	9	17.58	12.49	35.10	36.92	24.60
<b>Total Assets (A)</b>		<b>1,404.61</b>	<b>1,570.22</b>	<b>1,636.11</b>	<b>1,489.13</b>	<b>1,073.57</b>
<b>LIABILITIES</b>						
<b>Non-current Liabilities</b>						
Long-term borrowings	10	2.67	120.25	111.39	64.53	64.09
Deferred tax liabilities (net)	11	37.48	43.80	34.60	28.16	24.99
<b>Current Liabilities</b>						
Trade payables	12	96.33	65.79	121.66	145.46	120.80
Short-term borrowings	13	245.63	497.60	609.72	576.95	317.10
Other current liabilities	14	81.86	148.86	197.24	174.84	123.48
Short term provisions	15	59.01	57.91	29.84	20.47	10.43
<b>Total Liabilities (B)</b>		<b>522.98</b>	<b>934.21</b>	<b>1,104.45</b>	<b>1,010.41</b>	<b>660.89</b>
<b>Total Net Assets (A-B)</b>		<b>881.62</b>	<b>636.01</b>	<b>531.65</b>	<b>478.72</b>	<b>412.68</b>
<b>Represented by</b>						
Share Capital	16	207.08	207.08	207.08	207.08	202.37
Share & Warrant Application Money		-	-	-	22.42	22.42
Pending Allotment		-	-	-	-	-
Reserves and Surplus	17	674.54	428.93	324.58	249.22	187.89

**Annexure II – Statement Profit and Loss, as restated**

₹ in Million

Particulars	Notes No.	Period ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
<b>Revenue</b>						
Revenue from Operations	18	2,665.20	2,100.87	1,759.82	1,507.10	1,305.74
Other Income	19	2.94	2.80	5.87	2.64	6.87
<b>Total Revenue</b>		<b>2,668.14</b>	<b>2,103.67</b>	<b>1,765.69</b>	<b>1,509.74</b>	<b>1,312.61</b>
<b>Expenses</b>						
Cost of Material Consumed/Traded	20	1,668.34	1,438.83	1,379.69	1,340.30	1,181.28
Changes in Inventories of FG & WIP	21	286.21	66.92	(80.90)	(190.08)	(62.10)
Employee Benefit Expenses	22	91.09	79.73	48.02	37.58	27.54
Depreciation and Amortization	1	36.25	46.44	40.53	33.88	19.11
Finance Costs	23	54.21	106.20	102.80	96.22	36.07
Other Expenses	24	304.07	223.67	185.77	119.00	64.85
Loss on Sale of Assets		-	0.06	-	-	-
<b>Total Expenses</b>		<b>2,440.17</b>	<b>1,961.85</b>	<b>1,675.92</b>	<b>1,436.90</b>	<b>1,266.75</b>
<b>Profit before Tax</b>		<b>227.97</b>	<b>141.82</b>	<b>89.77</b>	<b>72.84</b>	<b>45.86</b>
<b>Tax Expenses</b>						
Current Tax		47.78	28.27	18.00	16.00	9.92
MAT Credit Entitlement availed		-	-	4.70		
Deferred Tax		(6.31)	9.20	0.37	3.17	8.58
Tax of earlier years (MAT Credit Entitlement recognised)		-	-	(5.75)	0.13	(0.18)
<b>Profit for the period</b>		<b>186.50</b>	<b>104.35</b>	<b>72.45</b>	<b>53.54</b>	<b>27.54</b>

**Annexure III – Statement of Cash Flow, as restated**

₹ in Million

Particulars	Period ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
<b><u>A] Cash Flow from Operating Activities</u></b>					
Net Profit Before tax	227.97	141.82	89.77	72.84	45.86
<b>Adjustment for</b>					
Depreciation	36.25	46.27	40.53	33.88	19.11
Prior Period Items	-	(0.49)	0.27	(0.27)	0.32
Finance Costs	54.21	106.20	102.80	96.22	36.07
Interest Income	(2.18)	(2.35)	(5.35)	(2.49)	(1.13)
Dividend Received	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
	<b>316.17</b>	<b>291.37</b>	<b>227.94</b>	<b>200.11</b>	<b>100.16</b>
<b>Adjustment for change in Working Capital</b>					
Inventories	285.04	135.72	(88.09)	(283.01)	(74.05)
Trade and other Receivables	3.93	(67.20)	(11.66)	(70.60)	(20.03)
Trade Payable	30.54	(55.38)	(24.08)	24.93	8.71
Other Current Liabilities	(75.84)	(48.39)	41.79	51.36	82.22
Other Current Assets	(16.33)	3.05	10.56	(13.24)	(5.05)
<b>Cash Generated From Operations</b>	<b>543.51</b>	<b>259.19</b>	<b>156.44</b>	<b>(90.46)</b>	<b>91.95</b>
Direct Tax Paid	(46.69)	(0.19)	(8.63)	(6.09)	(4.30)
<b>Net Cash from Operating Activities (A)</b>	<b>496.82</b>	<b>259.00</b>	<b>147.81</b>	<b>(96.55)</b>	<b>87.64</b>
<b>B] Cash Flow from Investing Activities</b>					
Purchase of Fixed Assets	5.41	(153.46)	(14.66)	(191.54)	(218.79)
Capital Work in Progress	(93.15)	103.37	(74.24)	114.70	60.96
Decrease in Other Non Current Assets	6.29	10.21	(9.55)	7.29	0.66
Interest Income received	2.18	2.35	5.35	2.49	1.13
Dividend Received	0.08	0.08	0.08	0.08	0.08
<b>Net Cash used in Investing Activities (B)</b>	<b>(79.20)</b>	<b>(37.45)</b>	<b>(93.03)</b>	<b>(66.99)</b>	<b>(155.97)</b>
<b>C] Cash Flow from Financing Activities</b>					
Proceeds from Share Application Money / Issue of Share	-	-	(19.50)	12.50	32.00
Proceeds from Short term Borrowing	(251.92)	(85.59)	21.48	243.67	114.90
Proceeds from Term Loan	(95.83)	(16.18)	27.23	(0.31)	(51.05)
Proceeds from Unsecured Borrowing	(0.05)	(26.53)	11.29	16.18	(0.69)
Other Long-term Liabilities	(24.94)	25.04	0.26	0.75	-
Share Issue Expenses Paid	(6.29)	(1.49)	1.61	(1.07)	(0.54)
Finance Costs	(54.21)	(106.20)	(102.80)	(96.22)	(36.07)
<b>Net Cash from Financing Activities (C)</b>	<b>(433.24)</b>	<b>(210.95)</b>	<b>(60.42)</b>	<b>175.49</b>	<b>58.54</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>47.53</b>	<b>10.60</b>	<b>(5.63)</b>	<b>11.96</b>	<b>(9.79)</b>
Cash & Cash Equivalents at beginning of the year	<b>31.91</b>	<b>36.93</b>	<b>42.56</b>	<b>30.60</b>	<b>40.39</b>
<b>Cash &amp; Cash Equivalents at end of the year</b>	<b>227.97</b>	<b>47.53</b>	<b>36.93</b>	<b>42.56</b>	<b>30.60</b>

**Annexure IV – Significant Accounting Policies & Notes to Accounts to the Restated Financial Statements****a. Basis of Preparation of Financial Statements**

The financial statements have been prepared under historical cost convention and on accrual basis of accounting. The Company has prepared these financial statements in accordance with the Generally Accepted Accounting Principles in India and to comply in all material respects with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policy adopted in preparation of the financial statements are consistent with those followed in previous year.

**b. Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period.

Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**c. Revenue Recognition**

- Revenue from sale of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognized gross of excise duty but net of sales tax and value added tax.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Dividend on investment is recognized when the company's right to receive dividend is established.

**d. Export Incentives**

Export Incentives are accounted for on accrual basis to the extent considered receivable.

**e. Tangible Assets**

- Fixed Assets are stated at cost net of Cenvat/VAT (to the extent allowable as input credit), wherever applicable, less accumulated depreciation. Costs incurred for bringing relevant assets in working condition, including financing costs till the respective asset is put to use, are capitalized.
- Leasehold Land is stated at cost.
- Assets under installation/commissioning are shown under Capital Work-in-Progress in last year are capitalised & commissioned during the year for which installation certificate has been obtained..

**f. Depreciation**

- Depreciation on Tangible Fixed Assets is being provided on "Straight Line Method" basis at the rates and manner prescribed specified in Schedule to the Companies Act, 2013.
- Depreciation in respect of addition to the fixed assets is provided on Pro-rata Basis.
- Depreciation of Plant and Machinery is charged to multiple shifts.

**g. Borrowing Costs**

Borrowing Costs attributable to production, construction or acquisition of the qualifying assets are capitalized till the date the asset is put to use. Other borrowing costs are charged to Profit & Loss Account.

**h. Investments**

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

**i. Inventories**

- Inventories of Raw Material, Finished Goods are valued at cost or Net Realizable Value, whichever is lower.
- Cost of Inventories comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to the present location and condition.
- Work in Progress is valued at cost, which includes direct cost and portion of overheads.
- Stores, Spares and Tools are being valued at cost.
- Goods in Transit, if any, are stated at actual cost incurred up to the date of balance sheet.
- Valuation of Finished Goods includes central excise duty, which is considered as cost in accordance with Accounting Standard 2.
- Stock is taken as valued & certified by management.

**j. Excise/Cenvat**

Cenvat credit availed during the year is reduced from purchase cost and related fixed assets and added to cenvat receivable account. The adjustment against excise duty during the year is debited to excise duty paid account and credited to cenvat receivable account. Excise duty payable on finished goods lying at the factory premises at the close of the year is provided in the books as per the excise rules.



**k. Pre IPO Expenses**

Pre IPO expenses comprise of expenses related to proposed public issue of Equity Shares of the Company. The same shall be amortized against Securities Premium in the year of allotment of securities under the said public issue.

**l. Foreign Currency Transactions**

- Transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- Differences on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization are considered as revenue in nature unless context requires otherwise.
- Differences in translation of Current Assets and Current Liabilities remaining to be settled in foreign currency at the year-end are recognized in the Statement of Profit and Loss.

**m. Taxes on Income**

- Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared, applying the applicable income tax rates and provisions.
- Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax Assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**n. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate or the recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. After Recognition of an impairment loss or reversal of an impairment loss, the depreciation charge for the assets is adjusted in future period to allocate the assets revised carrying amount, less its residual value(if any), over its remaining useful life.

**o. Employees Retirement Benefit**

- Short term benefit payable to employees wholly within twelve months of rendering services such as salaries, wages etc. are recognized in the period in which the employee renders the related service.
- Defined Contribution Plan  
The Company's contribution to the state governed employees provident fund scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.
- Defined Benefit Plan  
The Company has employees' gratuity fund scheme administered by a Trust managed by Life Insurance Corporation of India. The present value of the obligation is determined based on actuarial valuation carried out by Life Insurance Corporation of India using the projected unit credit method based on which the Company pays its contribution to the fund on periodic basis.
- As per the policy of the Company, no leave encasement is allowed.

**p. Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**q. Earnings Per Share**

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with the Accounting Standard 20 on Earning Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**r. Impact of Material Adjustment**

Particulars	(₹ in Million)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Net Profit & Loass as per Audited Statement of Profit & Loss Account	186.50	103.87	72.73	53.28	27.86
Adjustment on Account of					
Prior Period Items	0	0		0.48	(0.28)
Total impact of the adjustments					
Net profit / (loss) after tax, as restated	186.50	104.35	72.45	53.54	27.54

**Notes on adjustments to the restated summary statements and other disclosures**

All the Expenses of Prior Periods are Recognised & Given effects in the years for which it pertains in restated Statement of Profit and Loss. The corresponding changes in the Sundry Creditors had been made in the Restated Statement of Assets and Liabilities.



## Notes forming parts of restated financial statements

### Note 1

#### 2010-11

₹ in Millions

	₹ in Millions										
	Rate	Gross Block			Depreciation			Net Block			
NAME OF ASSETS		As At	Addition	Deletions	As At	As At	For the	Adjustment	As At	As At	As At
		01/04/10			31/03/11	01/04/10	Year	for the Year	31/03/11	31/03/11	31/03/10
Land	-	8.41	2.25	-	10.66	-	-	-	-	10.66	8.41
Factory Building	3.34%	49.05	23.72	-	72.77	9.24	2.02	-	11.26	61.51	39.81
Plant & Machineries	7.42%	138.47	188.34	-	326.80	48.78	16.35	-	65.13	261.67	89.69
Furniture's & Fixtures	6.33%	1.59	1.15	-	2.74	0.61	0.13	-	0.73	2.01	0.99
Computers & Printers	16.21%	0.86	0.12	-	0.98	0.66	0.15	-	0.81	0.17	0.20
Vehicles	9.50%	3.37	3.22	-	6.59	0.66	0.45	-	1.11	5.48	2.71
Office Equipments	4.75%	0.22	-	-	0.22	0.14	0.01	-	0.15	0.07	0.08
Total		201.97	218.79	-	420.77	60.09	19.11	-	79.20	341.57	141.89
Capital Work in Progress		204.79	151.15	212.11	143.83	-	-	-	-	143.83	204.79
Advance for Capital Goods		-	-	-	-	-	-	-	-	7.75	8.58
Grand Total		406.77	369.94	212.11	564.60	60.09	19.11	-	79.20	493.16	355.26
Previous Year		208.63	154.47	4.25	406.77	47.92	12.17	-	60.09	355.26	

#### 2011-12

₹ in Millions

	Rate	Gross Block				Depreciation				Net Block	
Name of Assets		As At	Additions	Deletions	As At	As At	For the	Adjustment	As At	As At	As At
		01/04/11			31/03/12	01/04/11	Year	for the Year	31/03/12	31/03/12	31/03/11
Leasehold Land	-	10.66	-	-	10.66	-	-	-	-	10.66	10.66
Factory Building	3.34%	72.77	37.31	-	110.08	11.26	3.03	-	14.29	95.80	61.51
Plant & Machineries	7.42%	326.80	144.56	-	471.37	65.13	29.28	-	94.41	376.96	261.67
Furniture's & Fixtures	6.33%	2.74	0.31	-	3.05	0.73	0.18	-	0.92	2.13	2.01
Computers & Printers	16.21%	0.98	0.09	-	1.06	0.81	0.17	-	0.97	0.09	0.17
Vehicles	9.50%	6.59	9.24	-	15.83	1.11	1.21	-	2.32	13.51	5.48
Office Equipments	4.75%	0.22	0.03	-	0.25	0.15	0.01	-	0.16	0.09	0.07



Name of Assets	Rate	Gross Block				Depreciation			Net Block		
		As At	Additions	Deletions	As At	As At	For the	Adjustment	As At	As At	As At
		01/04/11			31/03/12	01/04/11	Year	for the Year	31/03/12	31/03/12	31/03/11
Total		420.77	191.54	-	612.30	79.20	33.88	-	113.08	499.22	341.57
<b>Previous Year</b>		<b>201.97</b>	<b>218.79</b>	-	<b>420.77</b>	<b>60.09</b>	<b>19.11</b>	-	<b>79.20</b>	<b>341.47</b>	-
Capital Work in Progress		143.83	76.52	191.22	29.13	-	-	-	-	29.13	143.83
<b>Grand Total</b>		<b>564.60</b>	<b>268.06</b>	<b>191.22</b>	<b>641.44</b>	<b>79.20</b>	<b>33.88</b>	-	<b>113.08</b>	<b>528.36</b>	<b>485.40</b>

## 2012-13

₹ in Millions

Name of Assets	Rate	Gross Block				Depreciation			Net Block		
		As At	Additions	Deletions	As At	As At	For the	Adjustment	As At	As At	As At
		01/04/12			31/03/13	01/04/12	Year	for the Year	31/03/13	31/03/13	31/03/12
Leasehold Land	-	10.66	-	-	10.66	-	-	-	-	10.66	10.66
Factory Building	3.34%	110.08	-	-	110.08	14.29	3.68	-	17.97	92.12	95.80
Plant & Machineries	7.42%	471.37	7.45	-	478.82	94.41	34.90	-	129.31	349.51	376.96
Furniture's & Fixtures	6.33%	3.05	-	-	3.05	0.92	0.19	-	1.11	1.94	2.13
Computers & Printers	16.21%	1.06	0.28	-	1.34	0.97	0.19	-	1.16	0.18	0.09
Vehicles	9.50%	15.83	6.92	-	22.76	2.32	1.56	-	3.88	18.87	13.51
Office Equipments	4.75%	0.25	0.01	-	0.26	0.16	0.01	-	0.18	0.08	0.09
Total		612.30	14.66	-	626.97	113.08	40.53	-	153.61	473.36	499.22
<b>Previous Year</b>		<b>420.77</b>	<b>191.54</b>	-	<b>612.30</b>	<b>79.20</b>	<b>33.88</b>	-	<b>113.08</b>	<b>499.22</b>	<b>341.57</b>
Capital Work in Progress		29.13	80.71	6.47	103.37	-	-	-	-	103.37	29.13
<b>Grand Total</b>		<b>641.44</b>	<b>95.37</b>	<b>6.47</b>	<b>730.34</b>	<b>113.08</b>	<b>40.53</b>	-	<b>153.61</b>	<b>576.73</b>	<b>528.36</b>


**2013-14**

₹ in Millions

	Rate	Gross Block				Depreciation				Net Block	
Name of Assets		As At	Additions	Deletions	As At	As At	For the	Adjustment	As At	As At	As At
		01/04/13			31/03/14	01/04/13	Year	for the Year	31/03/14	31/03/14	31/03/13
Leasehold Land	-	10.66	6.89	-	17.55	-	-	-	-	17.55	10.66
Factory Building	3.34%	110.08	27.80	-	137.89	17.97	4.21	-	22.18	115.71	92.12
Plant & Machineries	7.42%	478.82	115.19	-	594.01	129.31	39.94	-	169.26	424.75	349.51
Furniture's & Fixtures	6.33%	3.05	0.08	-	3.12	1.11	0.20	-	1.31	1.82	1.94
Computers & Printers	16.21%	1.34	0.14	-	1.48	1.16	0.11	0.23	1.04	0.45	0.18
Vehicles	9.50%	22.76	3.65	0.35	26.06	3.88	2.22	0.18	5.91	20.14	18.87
Office Equipments	7.42%	0.26	0.05	-	0.31	0.18	0.01	-	0.19	0.12	0.08
Total		626.97	153.81	0.35	780.42	153.61	46.69	0.42	199.88	580.54	473.36
Previous Year		612.30	14.66	-	626.97	113.08	40.53	-	153.61	473.36	-
Capital Work in Progress		103.37	7.24	110.61	-	-	-	-	-	-	103.37
Grand Total		730.34	161.04	110.96	780.42	153.61	46.69	0.42	199.88	580.54	576.73

**2014-15**

₹ in Millions

₹ in Millions											
Name of Assets	Rate	Gross Block				Depreciation			Net Block		
		As At	Additions	Deletions	As At	As At	For the	Adjustment	As At	As At	As At
		01/04/14			31/03/15	01/04/14	Year	for the Year	31/03/15	31/03/15	31/03/14
Tangible Assets	-										
Leasehold Land		17.55	-	5.74	11.82	-	-	-	-	11.82	17.55
Factory Building	3.17%	137.89	-	-	137.89	22.18	4.37	(1.08)	25.47	112.42	115.71
Plant & Machineries	4.75%	594.01	0.01	-	594.02	169.26	28.18	(60.59)	136.85	457.18	424.75
Furniture & Fixtures	9.50%	3.12	-	-	3.12	1.31	0.30	0.66	2.26	0.86	1.82
Computers & Printers	31.67%	1.48	0.23	-	1.71	1.04	0.27	0.30	1.60	0.11	0.44
Vehicles	11.88%	26.06	-	-	26.06	5.91	3.09	1.48	10.48	15.57	20.14
Office Equipments	19.00%	0.31	0.09	-	0.40	0.19	0.04	0.13	0.36	0.04	0.12
Total		780.42	0.33	5.74	775.02	199.88	36.25	(59.10)	177.02	598.00	580.54
Previous Year		626.97	153.81	0.35	780.43	153.61	46.69	0.42	199.88	580.55	-
Capital WIP	-	-	93.15	-	93.15	-	-	-	-	93.15	



Notes	Particulars	As at	As at	As at	As at	As at
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>2</b>	<b>Non-current Investments</b>					
	<b>Non-Trade Investments</b>					
	<u>Investment in Mutual Funds (quoted) (valued at cost)</u>					
	1,000 units of State Bank of India - One India Mutual Fund	0.01	0.01	0.01	0.01	0.01
	<u>Investment in Equity Instruments (non-quoted) (valued at cost)</u>					
	50,000 Equity Shares of Abhyudaya Co-Operative Bank Limited	0.50	0.50	0.50	0.50	0.50
		<b>0.51</b>	<b>0.51</b>	<b>0.51</b>	<b>0.51</b>	<b>0.51</b>
<b>3</b>	<b>Long-term Loans &amp; Advances</b>					
	(Unsecured, Considered good)					
	Advances for Capital Goods	6.58	0.28	10.13	0.50	7.75
	Security Deposits	5.70	6.26	6.62	6.69	6.73
		<b>12.29</b>	<b>6.54</b>	<b>16.75</b>	<b>7.19</b>	<b>14.48</b>
<b>4</b>	<b>Other Non-current Assets</b>					
	Pre IPO Expenses	10.16	3.88	2.38	4.00	2.93
		<b>10.16</b>	<b>3.88</b>	<b>2.38</b>	<b>4.00</b>	<b>2.93</b>
<b>5</b>	<b>Inventories</b>					
	(As taken, verified, valued and certified by the Management)					
	Raw Material	71.03	71.01	130.46	141.11	50.74
	Work-in-Process	148.51	278.53	290.75	244.89	167.05
	Finished Goods	82.79	238.98	293.68	258.64	146.40
	Packing Material	2.01	2.21	2.81	2.61	0.18
	Stores & Spares	11.68	10.34	19.00	1.59	1.45
	Power & Fuel	0.42	0.39	0.51	0.26	0.27
		<b>316.44</b>	<b>601.46</b>	<b>737.19</b>	<b>649.10</b>	<b>366.09</b>
<b>6</b>	<b>Trade Receivables</b>					
	(Unsecured, Considered good)					
	Outstanding for a period exceeding six months	0.88	1.59	0.95	3.05	0.40
	Other Receivables	288.71	291.94	225.38	211.62	143.66
		<b>289.59</b>	<b>293.53</b>	<b>226.33</b>	<b>214.67</b>	<b>144.07</b>
<b>7</b>	<b>Cash and Cash Equivalents</b>					
	Cash on hand	3.66	3.27	2.39	1.08	0.43
	Balances with banks		-	-	-	-
	in Current accounts	1.15	0.28	3.25	0.66	1.53
	in EEFC accounts	0.41	0.40	0.39	3.83	-
	in Fixed Deposit (Margin Money against LC/BG)	26.70	43.58	30.89	37.00	28.64
		<b>31.91</b>	<b>47.53</b>	<b>36.92</b>	<b>42.57</b>	<b>30.61</b>
<b>8</b>	<b>Short-term Loans &amp; Advances</b>					
	(Unsecured, Considered good)					



Notes	Particulars	As at	As at	As at	As at	As at
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	Advance recoverable in cash or kind or for value to be received	2.14	0.35	0.29	4.19	1.52
	Advance for supply of goods & services	31.45	22.47	2.99	0.98	2.90
	Advance to Staff	1.40	0.92	0.90	0.65	0.47
		<b>34.98</b>	<b>23.74</b>	<b>4.19</b>	<b>5.82</b>	<b>4.89</b>
<b>9</b>	<b>Other Current Assets</b>					
	Balance with Government authorities	10.46	5.37	27.98	36.92	24.60
	MAT Credit Entitlement	7.12	7.12	7.12		
		<b>17.58</b>	<b>12.49</b>	<b>35.10</b>	<b>36.92</b>	<b>24.60</b>
<b>10</b>	<b>Long-term Borrowings</b>					
	<b>Secured Borrowings</b>					
	Term Loans	2.23				
	From Banks	0.03	71.91	101.57	128.02	153.07
	Less: Interest on borrowings	2.20	0.86	1.10	1.70	0.77
	Current Maturities of Long term Debt	-	31.61	47.51	68.68	90.52
			<b>39.44</b>	<b>52.97</b>	<b>57.64</b>	<b>61.78</b>
	Hire Purchase Loans					
	From Banks	2.70	6.76	11.07	8.01	2.33
	From Others	1.77	3.11	1.80	2.14	1.88
	Total Hire Purchase Loans	<b>4.48</b>	<b>9.87</b>	<b>12.86</b>	<b>10.15</b>	<b>4.21</b>
	Less: Current Maturities of Long-term Debt	2.91	5.11	5.45	4.01	1.90
		<b>1.56</b>	<b>4.76</b>	<b>7.41</b>	<b>6.14</b>	<b>2.30</b>
	Corporate Loans					
	From Others	-	50.57	50.96	-	-
	Less: Interest on borrowings	-	0.57	0.96	-	-
		-	<b>50.00</b>	<b>50.00</b>	-	-
	Deposit From Customers	<b>1.11</b>	26.05	1.01	0.75	-
	<b>TOTAL</b>	<b>2.67</b>	<b>120.25</b>	<b>111.39</b>	<b>64.53</b>	<b>64.09</b>
<b>11</b>	<b>Deferred Tax Liabilities (Net)</b>					
	Related to fixed assets	37.48	43.80	39.10	34.33	25.01
	Other timing differences on expenditure	-	-	(4.50)	(6.17)	(0.02)
		<b>37.48</b>	<b>43.80</b>	<b>34.59</b>	<b>28.16</b>	<b>24.99</b>
<b>12</b>	<b>Trade Payables</b>					
	Due to Micro, Small & Medium Enterprises	-	-	-	-	-
	Due to Others	96.33	65.79	121.66	145.46	120.80
		<b>96.33</b>	<b>65.79</b>	<b>121.66</b>	<b>145.46</b>	<b>120.80</b>
<b>13</b>	<b>Short-term Borrowings</b>					
	<b>A Secured Borrowings</b>					
	Loans repayable on demand					
	From Banks	60.33	316.65	448.85	398.93	262.42
	Acceptance	183.62	179.32	132.70	161.15	53.98





Notes	Particulars	As at	As at	As at	As at	As at
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	<b>B Unsecured Borrowings</b>					
	Loans repayable on demand					
	From Related Parties	1.69	1.63	28.17	16.87	0.70
		<b>245.63</b>	<b>497.60</b>	<b>609.72</b>	<b>576.95</b>	<b>317.10</b>
<b>14</b>	<b>Other Current Liabilities</b>					
	Current Maturities of Long-term Debt	5.11	36.72	52.95	72.69	92.42
	Interest accrued and due on borrowings	0.03	1.43	2.06	1.70	0.77
	Advance from Customers	56.22	51.61	97.09	52.25	1.37
	Outstanding Salary & Expenses	15.76	34.74	31.72	35.57	13.86
	Statutory Dues payable	4.74	24.36	13.43	12.63	15.06
	<b>-</b>	<b>81.86</b>	<b>148.86</b>	<b>197.25</b>	<b>174.84</b>	<b>123.48</b>
<b>15</b>	<b>Short-term Provisions</b>					
	Provision for Income Tax (Net)	59.01	57.91	29.84	20.47	10.43
		<b>59.01</b>	<b>57.91</b>	<b>29.84</b>	<b>20.47</b>	<b>10.43</b>
<b>16</b>	<b>Share Capital</b>					
	Authorized					
	2,10,00,000 Equity shares of ₹10 each	320.00	210.00	210.00	210.00	210.00
		<b>320.00</b>	<b>210.00</b>	<b>210.00</b>	<b>210.00</b>	<b>210.00</b>
	Issued, Subscribed & Paid Up					
	Equity shares of ₹10/- each fully paid up	207.08	207.08	207.08	207.08	202.37
		<b>207.08</b>	<b>207.08</b>	<b>207.08</b>	<b>207.08</b>	<b>202.37</b>
<b>17</b>	<b>Reserves &amp; Surplus</b>					
	Capital Reserve					
	Balance as per last financial statements	2.92	2.92	-	-	-
	Add: Addition during the year	-	-	2.92	-	-
		2.92	2.92	2.92	-	-
	Securities Premium					
	Balance as per last financial statements	96.62	96.62	96.62	88.83	71.68
	Add: Addition during the year	-	-	-	7.79	17.15
		96.62	96.62	96.62	96.62	88.83
	Surplus in the Statement of Profit & Loss					
	Balance as per last financial statements	329.39	225.04	152.59	99.06	71.53
	Add : change in Depreciation due to Companies Act - 2013	59.10	-	-	-	-
	Profit for the year	186.50	104.35	72.45	53.54	27.54
		574.99	329.39	225.04	152.59	99.06
		<b>674.54</b>	<b>428.93</b>	<b>324.58</b>	<b>249.22</b>	<b>187.89</b>
<b>18</b>	<b>Revenue from Operations</b>					
	Sale of Products manufactured/traded	2,767.81	2,209.21	1,810.05	1,562.34	1,347.80
	Export Incentives	9.09	15.69	13.77	7.09	0.77
		<b>2,776.90</b>	<b>2,224.90</b>	<b>1,823.82</b>	<b>1,569.43</b>	<b>1,348.57</b>
	Less: Excise Duty	111.70	124.03	64.00	62.33	42.83
		<b>2,665.20</b>	<b>2,100.87</b>	<b>1,759.82</b>	<b>1,507.11</b>	<b>1,305.74</b>
<b>19</b>	<b>Other Income</b>					



Notes	Particulars	As at	As at	As at	As at	As at
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	Interest Income	2.18	2.35	5.35	2.49	1.13
	Dividend Received	0.08	0.08	0.08	0.08	0.08
	Balances Written Back	0.68	0.37	0.44	0.07	0.10
	Exchange Rate Gain		-	-	-	5.56
		<b>2.94</b>	<b>2.80</b>	<b>5.87</b>	<b>2.64</b>	<b>6.87</b>
<b>20</b>	<b>Cost of Raw Material Consumed/Traded</b>					
	Inventories at the beginning of the year	71.01	130.46	141.11	50.74	37.92
	Add: Purchases	1,668.36	1,389.05	1,369.04	1,430.67	1,194.10
		<b>1,739.37</b>	<b>1,519.51</b>	<b>1,510.16</b>	<b>1,481.41</b>	<b>1,232.02</b>
	Less: Inventories at the end of the year	71.03	80.67	130.46	141.11	50.74
		<b>1,668.34</b>	<b>1,438.84</b>	<b>1,379.70</b>	<b>1,340.30</b>	<b>1,181.28</b>
<b>21</b>	<b>Changes in Inventories of Finished Goods &amp; WIP</b>					
	Inventories at the end of the year					
	Work in Process	148.51	278.53	290.75	244.89	167.05
	Finished Goods	82.79	238.98	293.68	258.64	146.40
		<b>231.30</b>	<b>517.51</b>	<b>584.43</b>	<b>503.53</b>	<b>313.45</b>
	Inventories at the beginning of the year					
	Work in Process	278.53	290.75	244.89	167.05	151.57
	Finished Goods	238.98	293.68	258.64	146.40	99.78
		<b>517.51</b>	<b>584.43</b>	<b>503.53</b>	<b>313.45</b>	<b>251.35</b>
		<b>286.21</b>	<b>66.92</b>	<b>(80.89)</b>	<b>(190.08)</b>	<b>(62.10)</b>
<b>22</b>	<b>Employee Benefit Expenses</b>					
	Salaries and Wages	89.97	78.74	47.33	36.71	27.04
	Contribution to Provident and other funds	0.17	0.15	0.14	0.21	0.10
	Staff Welfare Expenses	0.95	0.84	0.55	0.67	0.40
		<b>91.09</b>	<b>79.73</b>	<b>48.02</b>	<b>37.58</b>	<b>27.54</b>
<b>23</b>	<b>Finance Costs</b>					
	Interest Expense	36.72	87.10	92.28	62.31	32.48
	Other Borrowing Costs	17.50	19.10	10.52	33.91	3.59
		<b>54.21</b>	<b>106.20</b>	<b>102.80</b>	<b>96.22</b>	<b>36.07</b>
<b>24</b>	<b>Other Expenses</b>					
	Manufacturing Expenses					
	Consumption of Stores & Spares	33.04	14.52	9.32	7.11	6.96
	Packing Material	18.04	15.06	10.71	5.42	3.31
	Power & Fuel	109.24	94.01	65.35	57.05	42.45
	Water Charges	1.54	1.63	4.23	2.55	1.82
	Repair & Maintenance	29.70	16.06	7.19	4.74	3.07
	Insurance Premium	1.58	1.49	1.11	0.27	0.27
	Selling & Distribution Expenses					
	Freight & Transportation	51.05	32.63	36.25	16.69	-
	Rebate & Discounts	34.91	26.09	31.33	2.92	1.35
	Other Selling & Distribution Expenses	5.47	0.85	2.47	0.58	0.36
	Other Administrative Expenses					
	Travelling & Conveyance	4.67	4.57	1.84	1.61	0.47



Notes	Particulars	As at	As at	As at	As at	As at
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	Communication Expenses	1.11	1.16	1.12	0.80	0.62
	Legal & Professional Expenses	4.61	2.63	3.03	1.16	0.35
	Rent, Rate & Taxes	1.89	1.25	2.12	0.54	0.74
	Printing & Stationery	0.39	0.26	0.38	0.25	0.17
	Electricity Expenses	0.48	0.38	0.41	0.22	0.17
	Auditors' Remuneration	0.45	0.45	0.30	0.30	0.35
	Miscellaneous Expenses	4.95	4.95	3.30	3.13	2.39
	Net loss on foreign currency transactions and translation	0.97	5.67	5.31	13.65	-
		<b>304.07</b>	<b>223.66</b>	<b>185.77</b>	<b>119.00</b>	<b>64.86</b>

### Annexure V - Summary of Accounting Ratios

₹ & No. in million, except per share data

Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
<b>1. Net Profit Attributable to Equity Shareholders</b>	186.50	104.35	72.45	53.54	27.54
Earning Per Share (EPS) (₹) [a/b]					
- Basic [a/b] *	9.01	5.04	3.50	2.59	1.36
- Diluted [a/d] *	9.01	5.04	3.50	2.59	1.36
Return on Net Worth (%) [a/g %]	21.15%	16.41%	13.63%	11.18%	6.67%
Weighted Average No. of Equity Shares	20.71	20.71	20.71	20.71	20.24
No. of Equity Shares outstanding	20.71	20.71	20.71	20.71	20.24
<b>Notes :</b>					
Net Profit after tax adjustments [a]	186.50	104.35	72.45	53.54	27.54
Weighted Average No. of Equity Shares [b]	20.71	20.71	20.71	20.71	20.24
Total No. of Equity Shares for calculating Diluted EPS [d]	20.71	20.71	20.71	20.71	20.24
No. of Equity Shares at the end of the year/period [e]	20.71	20.71	20.71	20.71	20.24
Net Worth [g]	881.62	636.01	531.66	478.72	412.68
Net Asset Value per share [g/b]	42.57	30.71	25.67	23.12	20.39

### 2. Formula :

Earning per Share (₹)

Net Profit attributable to equity shareholders

Weighted Average number of equity shares outstanding during the period

Net Asset Value Per Share (₹)

Net Worth excluding revaluation reserve at the end of the period

Total Number of equity shares outstanding at the end of the year/period

Return on Net Worth (%)

Net Profit after tax adjustments  
Net worth at the end of the year/period

Net Asset Value

Equity Share Capital plus Reserves & Surplus less  
Miscellaneous Expenditure to the extent not written off / total  
no. of equity shares outstanding at end of each year/period



3. Earning per share (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

#### Annexure VI – Statement of Capitalisation

₹ in millions		
Particulars	Pre-Issue as at 31-Mar-15	As adjusted for Issue*
<b>Debts</b>		
Long Term Borrowings	245.63	245.63
Short Term Borrowings	7.79	7.79
<b>Total Debt</b>	<b>253.42</b>	<b>253.42</b>
<b>Equity (shareholder's funds)</b>		
Equity Share Capital	207.08	302.20
Reserves & Surplus	674.54	1197.69
<b>Total Equity</b>	<b>881.62</b>	<b>1499.89</b>
<b>Total Capitalization</b>		
Long Term Debt/Equity Ratio (x)	0.01	0.01
Total Debt/Equity Ratio (x)	0.29	0.17

#### Annexure VII – Statement of Contingent Liabilities

₹ in millions					
Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
Disputed Tax liability	8.96	8.96	2.98	8.85	00
Corporate guarantee by Company against loans taken by relative of promoter	1.71	21.10	51.10	51.10	51.10
Bank guarantee	53.48	47.41	25.95	30.10	4.95
<b>Total</b>	<b>64.15</b>	<b>77.47</b>	<b>80.03</b>	<b>90.05</b>	<b>56.05</b>

#### Annexure VIII – Statement of Dividend Declared

₹ in millions					
Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
Equity Dividend	-	-	-	-	-
Equity Share Capital (FV ₹10 per share)	207.08	207.08	207.08	207.08	202.37
Rate of Dividend	-	-	-	-	-
Amount of Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-

#### Annexure IX – Statement of Tax Shelter

₹ & No. in millions, except per share data					
Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
<b>Profit as per book reinstated</b>	<b>227.97</b>	<b>141.82</b>	<b>89.77</b>	<b>72.84</b>	<b>45.86</b>
Normal rate of tax (excluding cess)	30.00%	30.00%	30.00%	30.00%	30.00%
MAT rate	18.50%	18.50%	18.50%	18.50%	18.00%
Tax amount	68.39	42.55	26.93	21.85	13.76
<b>Adjustment:</b>					



Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
Depreciation as per book disallowable	36.25	46.44	40.53	33.88	19.11
Depreciation as per IT allowable	55.70	88.90	55.23	64.41	46.07
Other adjustment deduction allowable	58.23	31.40	(31.33)	(0.88)	(1.35)
<b>Net adjustment</b>	<b>77.69</b>	<b>73.86</b>	<b>3.06</b>	<b>46.53</b>	<b>31.35</b>
Tax savings thereon as per original computation	(23.31)	(22.16)	(0.92)	(13.96)	(9.40)
Tax as per normal provisions as reinstated	45.09	20.39	26.01	7.89	4.35
Tax as per MAT as per original computation	42.18	26.14	13.44	9.88	8.30
<b>Provision for current tax</b>	<b>37.54</b>	<b>28.00</b>	<b>18.00</b>	<b>16.00</b>	<b>9.92</b>
Deferred Tax liability/(assets)	(6.31)	9.20	0.37	3.17	8.58
MAT credit entitlement taken		0	11.82	0	0

#### Annexure X – Earnings per Share

₹ & No. in millions, except per share data

Particulars	As at 31.03.15	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
Weighted average number of Equity Shares of ₹10 each *	20.71	20.71	20.71	20.71	20.24
Number of shares at the end of the year	20.71	20.71	20.71	20.71	20.24
Weighted average number of Equity Shares outstanding during the year	20.71	20.71	20.71	20.71	20.24
Weighted average number of Potential Equity Shares outstanding during the year	20.71	20.71	20.71	20.71	20.24
Total number of Equity share for calculating Diluted Earning Per Share	20.71	20.71	20.71	20.71	20.24
Net Profit after Tax available for Equity shareholders	186.50	104.35	72.45	53.54	27.54
Basic Earning Per Share (in ₹)	9.01	5.04	3.50	2.59	1.36
Diluted Earning Per Share (in ₹)	9.01	5.04	3.50	2.59	1.36

**Annexure XI – Related Party Transactions****A. List of related parties & their relationship**

<b>Name of Related Party</b>	<b>Relationship</b>
Punit Makharia	Chairman & Managing Director
Gautam Makharia	Joint Managing Director
Ranjana Makharia	wife of M. D. Relative of the Director
Aradhana Makharia	wife of J. M. D. Relative of the Director
Bhanu Makharia	Mother of M. D./J.M.D. Relative of the Director

**B. Statement of Significant Related Party Transactions As per AS-18**

₹ in millions

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
<b>a) Rent Paid</b>					
Bhanu Makharia	0.18	0.18	0.18	0.18	0.18
<b>b) Managerial Remuneration</b>					
Punit Makharia	3.00	2.40	1.32	1.13	1.01
Gautam Makharia	3.00	2.40	1.32	1.13	1.01
<b>c) Salary Paid</b>					
Ranjana Makharia	0.48	0.42	0.37	0.33	0.30
Aradhana Makharia	0.47	0.41	0.36	0.32	0.29
<b>Total</b>	<b>7.13</b>	<b>5.81</b>	<b>3.55</b>	<b>3.09</b>	<b>2.79</b>

**C. Company has following amount due from/to related parties**

₹ in millions

<b>Outstanding Balances</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
Rent Deposit Given to Relative of Director	2.82	3.00	3.18	3.04	3.04
Due to Directors	1.69	1.63	28.17	16.88	0.70
Managerial Remuneration Payable to Director	0.50	0.40	0.22	0.19	0.17
Salary Payable to Relative of Director	0.08	0.07	0.03	0.05	0.05



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations in conjunction with the audited and restated financial information which appear in the chapter titled 'Financial Information' and 'Summary of Financial Information' beginning on page numbers 152 and 37 respectively. Unless otherwise stated, the financial information in this section has been derived from the restated financial information of our Company. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the section/chapter entitled 'Risk Factors' and 'Forward Looking Statements' on page numbers 13 and 12 respectively.*

### Overview

We are an ISO 9001: 2008 certified company, promoted by first generation entrepreneurs, Punit Makharia and Gautam Makharia. We commenced our business operations in the year 1993 with a trading business and have emerged to become one of the few manufacturers with widest range of dye intermediates in India with zero waste. We have state of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra. Over the years, the integration (backward and forward) has helped us diversify into wide range of products in such a way that many of the intermediate products are used to manufacture other value added products leading to efficiencies in the cost of production and low dependence on raw materials from external sources.

We are also amongst India's large manufacturers of K-Acid, a dye intermediate used to manufacture Reactive Dyes for dyeing of textiles, with an installed capacity of 960 MTPA as on March 31, 2015 .

We manufacture products in 4 major verticals viz., Dye Intermediates, Acid Complex (comprising sulphuric and its derivative acids), Cattle Feed Supplement and Fertilizers (Single Super Phosphate & Soil Conditioner).

The brief product details are as under:

Business Verticals	Products	Intermediate products for captive consumption
a. Dye Intermediates	Gamma Acid, K- Acid, R-Salt, Vinyl Sulphone, Meta Ureido Aniline and H- Acid	Amido G, G-Salt, R-Complex, Acetanilide
b. Acid Complex	Sulphuric Acid, Oleum and Chloro Sulphonic Acid (CSA)	-
c. Cattle Feed Supplement	Di- Calcium Phosphate (DCP)	Gypsum
d. Fertilizers	Single Super Phosphate (SSP) and Soil Conditioner	-

We market, sell and distribute our wide range of products to our diverse customers based in India and abroad. Over the years we have established our sales network both in domestic and international markets. We work on two-way marketing strategy, one being direct approach to our customers and the other through selling agents/dealers. As on date, our marketing strength comprises of 11 employees and 125 dealers.

Our products are marketed and sold in the states of Maharashtra, Gujarat and Karnataka in India. We are also a recognised Export House by Government of India. Our products are exported to one of the world's leading dye manufacturers viz., Huntsman Corporation, headquartered in USA as also to Archroma Management LLC, a global color and speciality chemical company headquartered in Switzerland. Besides these, we also export to countries namely, Brazil, Thailand, Pakistan and Mexico.

We have also entered into the marketing arrangement with DCM Shriram Limited, Delhi, for Single Super Phosphate (SSP) within the state of Maharashtra and Karnataka. It distributes our product along with its own products in the regions of Maharashtra and Karnataka. Our product is sold under the brand name "SHRIRAM SUPER".





DCM Shriram Limited is amongst India's leading companies having presence in Agri-Rural business like urea & SSP, sugar and farm inputs and Chlor-Vinyl business such as caustic soda, chlorine, calcium carbide, PVC resins among others manufacturing.

In addition, we have also entered into marketing arrangement with Shivam Chemicals Private Limited, Mumbai, (SCPL) for marketing of Di Calcium Phosphate (DCP) in the state of Karnataka. SCPL is a marketing agent in the state of Karnataka for Di Calcium Phosphate beside other products like Quick Lime, Hydrated Lime. It has a well established marketing network with agents all over India.

As on the date of this RHP, our Promoter and Promoter Group hold 87.96% while the balance 11.72% is held by IFCI Venture Capital Fund (IEDF).

As on the date, we have a total workforce of 529 including 10 senior executives, 26 managerial and supervisory staff, 66 office staff, 125 skilled and unskilled workers, 54 contract labourers and 248 casual labourers.

As of March 31, 2015,

- Revenue from Operations increased to ₹2,665.20mn from ₹1,305.74mn in fiscal 2011 at a CAGR of 19.53%.
- EBITDA increased to ₹ 315.49 mn from ₹ 94.14 mn at a CAGR of 35.29%.
- Net Profit after Tax increased to ₹ 186.50 mn in FY 2014-15 from ₹ 27.54 mn in FY 2010-11 at a CAGR of 61.32 %.

Our Revenue from Operations comprised ₹2026.75 mn from Dye Intermediates, ₹ 103.17 mn from Acid Complex, ₹ 53.41 mn from Cattle Feed Supplements and ₹ 481.87 mn from Fertilizers.

### **Our Competitive Strengths**

- We are one of the few integrated manufacturers of wide range of Dye Intermediates in India;
- We are one of the 'zero waste' manufacturer in the Dye Intermediates Industry in India;
- Strategic location of our facilities reduces time and costs overruns;
- We have a strong marketing and distribution network;
- Our products are catered to consumers from diverse sectors and industries;
- We have experienced management and key management personnel.

### **Business Strategy**

Our strategic objective is to improve on and consolidate our position by enhancing the current production and adding new products to our portfolio. We intend to achieve this by focusing on the following areas:

1. Integrate forward into manufacture of textile dyes;
2. Continue to expand and diversify our product portfolio;
3. Pursue opportunities of inorganic growth through strategic acquisitions and partnerships;
4. Modernization and upgradation of our technology;
5. Capitalize by exploring new markets and enhancing our existing production and customer base.

### **Factors affecting our results of operations**

The business of our Company is subject to various risks and uncertainties including those discussed in section titled '*Risk Factors*' beginning on page number 13. Our financial condition and results of operations are affected by various factors of which the following are of particular importance.

- Factors affecting Dye and Dye Intermediates Industry, Chemical Industry and Fertilizer Industry;
- Increasing competition in the Industry;
- Cyclical fluctuations in the operating results;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;



- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India;
- Increase in the transportation costs that could not be transferred to the customers;

### Discussion on Results of Operations for last 4 financial years

The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the company for the FY 2014, 2013, 2012 and 2011 respectively.

### Summary of Revenues, Expenses, and Profitability

₹ in millions

Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
<b>Revenue</b>	2,665.20				
Revenue from Operations	2.94	2,100.87	1,759.81	1,507.11	1,305.75
Other Income	2,668.14	2.80	5.87	2.64	6.86
<b>Total Revenue</b>		<b>2,103.67</b>	<b>1,765.67</b>	<b>1,509.75</b>	<b>1,312.61</b>
<b>Expenses</b>	1,668.34				
Cost of Material Consumed/Traded	304.07	1,438.83	1,379.70	1,340.31	1,181.28
Other Expenses	286.21	223.65	185.77	119.00	64.86
Changes in Inventories of FG & WIP	91.09	66.92	(80.89)	(190.08)	(62.10)
Employee Benefit Expenses	36.25	79.73	48.02	37.58	27.54
Depreciation and Amortization	54.21	46.44	40.53	33.88	19.11
Finance Costs	-	106.20	102.80	96.23	36.08
Loss on Sale of Assets	2,440.17	0.06	-	-	-
<b>Total Expenses</b>		<b>1,961.83</b>	<b>1,675.94</b>	<b>1,436.92</b>	<b>1,266.76</b>
	227.97				
<b>Profit before Tax</b>		<b>141.84</b>	<b>89.74</b>	<b>72.82</b>	<b>45.84</b>
<b>Tax Expenses</b>	47.78				
Current Tax	-	28.27	18.00	16.00	9.92
MAT Credit Entitlement availed	(6.31)	-	4.70		
Deferred Tax	-	9.20	0.37	3.17	8.58
Tax of earlier years (MAT Credit Entitlement recognised)		-	(5.75)	0.13	(0.18)
	186.50				
<b>Profit for the period</b>	2,665.20	<b>104.37</b>	<b>72.42</b>	<b>53.53</b>	<b>27.53</b>

### Comparison

#### Comparison of performance for FY 2015 with FY 2014

#### Revenue from Operations

During the FY 2015, the revenue from operations was ₹2,665.20 mn as compared to ₹2,100.87 mn for FY 2014, an increase of 26.86%. During the year there have been no major expansion in the installed capacities and we have been in a position to consolidate our production activities with the expanded capacities carried out last year.

#### Expenditure

Our expenditure on raw material consumption considering changes in inventory increased by 29.81% to ₹1,954.55 mn in FY 2015 from ₹1,505.75 mn in FY 2014. Our products under dye intermediates fetched better price realisation, the prices of the raw-materials, Though increased have been slightly lower in comparison with the sales realisation figures. Thus keeping the margins per unit sale nearly constant as that of last year.

Other expenses i.e. include manufacturing, selling & distribution expenses and other administrative expenses which increased to 304.07 mn in FY 2015, from ₹224.13 mn in FY 2014 an increase of 35.67%. During the year under review, the consumption of stores and spares rose to ₹33.04 mn from ₹14.52 mn in FY 2014 since. The expenses incurred towards repairs and maintenance have raisin substantially to ₹29.70 mn (1.11 % of sales) from 16.06 mn (0.76% of sale) in FY 2014, reflecting an increase of nearly 35% towards cost of repairs &



maintenance. This has been mainly on account of major overall & maintenance of the acid plant which is taken up once in 3 to 3.5 yrs. As Such both the dye intermediate plant & acid plant have high corrosive raw material on account of which acid plants experience large amount of wear & tear involving a higher cost towards repairs & maintenance. On the whole, the manufacturing expenses have grown by 35% to ₹193.13 mn from ₹142.77 mn in FY 2014.

During the year under review, the employee benefits expenses increased marginally by 14.24% from ₹79.73 mn to ₹91.09 mn in FY 2014 primarily due to general increase in salaries and wages to commensurate with the increase in the turnover of the company

### **Finance Charges**

Finance charges for FY 2015 were ₹54.21 mn as compared to ₹106.20 mn for FY 2014. During the period under review, interest expense reduced by ₹50.38 mn mainly on account Lower Utilisation of Banking Limits & Prepayment of Loans.

### **Depreciation**

The depreciation for FY 2015 was ₹36.25 mn compared to ₹46.44 mn for FY 2014. The decrease was due to Change in the Rates of Depreciation as per Companies Act-2013.

### **Profit for the year**

As a result of foregoing factors, the net profit for FY 2015 increased by 78% to ₹186.50 mn from ₹104.35 mn in FY 2014.

### **Comparison of performance for FY 2014 with FY 2013**

#### **Revenue from Operations**

During the FY 2014, the revenue from operations was ₹2,100.87 mn as compared to ₹1,759.82 mn for FY 2013, an increase of 19.32%. The increase is attributed to better price realisations coupled with better utilisation and production levels for our dye intermediates and cattle feed supplement during FY 2014. The growth in revenues from dye intermediates and cattle feed supplement were 30.45% and 18.25% respectively compared to FY 2013. Further, during the period under review, we enhanced the capacity of our SSP plant from 42,500 MTPA to 100,000 MTPA which was commissioned in August 2013 besides modernization of DCP plant and process modification of H-Acid plant which is put in operations in July 2013 and November 2013 respectively.

#### **Expenditure**

Our expenditure on raw material consumption considering changes in inventory increased marginally by 15.94% to ₹1,505.75 mn in FY 2014 from ₹1,298.79 mn in FY 2013. Though our products under dye intermediates fetched better price realisation, the prices of the raw-materials did not increase to that extent.

Other expenses i.e.include manufacturing, selling & distribution expenses and other administrative expenses which increased to ₹223.656 mn in FY 2014 from ₹185.77 mn in FY 2013, an increase of 20.39%. During the year under review, our power & fuel expenses rose to ₹94.01 mn from ₹65.35 mn in FY 2013 since the capacity of our cattle feed plant was increased from 42500 MTA to 100000 MTA.; The expenses incurred towards repairs and maintenance also rose substantially by 148.29% to ₹4.57 mn from 1.84 mn in FY 2013. Since both the dye intermediate plant & acid plant have high corrosive raw material for which acid plants experience usually in the industry command huge large amount of wear & tear increases over the years involving a higher cost towards repairs & maintenance.because of the very nature of the corrosive materials being used in the manufacturing process. During the year company spent substantially on maintenance of these plants. On the whole, the manufacturing expenses have grown by 46.19% to ₹142.77 mn from ₹97.66 mn in FY 2013. During the year under review, the employee benefits expenses increased by 66.03% to ₹79.73 mn from 48.02 mn in FY 2013 primarily due to increases in salaries and wages and increase in employee strength.

**Finance Charges**

Finance charges for FY 2014 were ₹106.20 mn as compared to ₹102.80 mn for FY 2013. During the period under review, interest expense reduced by ₹5.18 mn mainly on account of reduction in the term loan interest on account of annual term loan repayments. Our other borrowing costs increased by ₹8.58 mn which relate to fees charged by banks for various transactions, including those related to the creation and issuance of Letter of Credit, processing fees and cash management fees.

**Depreciation**

The depreciation for FY 2014 was ₹46.44 mn compared to ₹40.53 mn for FY 2013, an increase of 14.58%. The said increase was mainly due to the capital expenditure incurred on during the year for capacity expansion of SSP plant, modernization of DCP plant and process modification of H-acid plant & additional depreciation charged.

**Profit for the year**

As a result of foregoing factors, the net profit for FY 2014 increased by 44.52% to ₹104.35 mn from ₹72.45 mn in FY 2013.

**Comparison of performance for FY 2013 with FY 2012****Revenue from Operations**

During the FY 2013, the revenue from operations increased to ₹1,759.82 mn from ₹1,507.10 mn for FY 2012, an increase of 16.77%. The increase was mainly due to increase in the revenues from SSP by 60% on to ₹341.95 mn from ₹213.85 mn in FY 2013 on account of full year operation of the SSP Plant besides increase in revenues from dye intermediates and cattle feed supplement by 8.57% and 16.96% respectively.

SSP, a value added product was included in our product portfolio, manufactured by using the spent acid (sourced internally) and rock phosphate (from outside markets) was introduced only in October 2011. Therefore, increase in the revenues of SSP by 60% was mainly due the revenues accounted for six months in FY 2012 (from October 2011) compared to full year operations in FY 2013.

**Expenditure**

Our expenditure on raw material consumption considering changes in inventory increased by 12.92% to ₹1,298.79 mn in FY 2013 from ₹1,150.22 mn in FY 2012.

Our other expenses i.e. manufacturing, selling & distribution expenses and other administrative expenses increased to ₹185.77 mn in FY 2013 from ₹119.00 mn in FY 2012, an increase of 56.12%. During the period under review, our manufacturing expenses grew by 26.61% to ₹97.66 mn from ₹77.14 mn in FY 2012 mainly on account of increase in packing material, power & fuel and repairs & maintenance costs; our selling and distribution expenses grew to ₹70.02 mn from ₹19.99 mn in FY 2012 mainly on account of increase in freight & transportation and rebate & discounts.

During the year under review, the employee costs increased by 27.44% to ₹48.02 mn from 37.58 mn in FY 2013 primarily due to increase in headcount of employees and the annual increase in remuneration.

**Finance Charges**

Finance charges for FY 2013 were ₹102.80 mn compared to ₹96.22 mn for FY 2012. The increase was mainly due to utilisation of working capital limits on account of increased operations and availment of corporate loan for meeting additional project costs.

**Depreciation**

The depreciation for FY 2013 was ₹40.53 mn compared to ₹33.88 mn for FY 2012, an increase of 19.63%. This was mainly on account of additional plant & machinery installed for undertaking capacity expansion of H-acid and DCP.

**Profit for the year**

As a result of foregoing factors, the net profit for FY 2013 increased by 36.49% to ₹72.45 mn from ₹53.54 mn in FY 2012.

**Comparison of performance for FY 2012 with FY 2011****Revenue from Operations**

During the FY 2012, the revenue from operations increased to ₹1,507.11 mn from ₹1,305.75 mn for FY 2012, an increase of 15.42%. In October 2011, we commenced the commercial operations of our SSP plant with an installed capacity of 45,000 MTPA which generated the revenues of ₹213.85 mn during the six months period ended March 31, 2012. In addition, we also commenced the commercial operations of Oleum 65% in August 2011. During the period under review, the average capacity utilisation of our Acid plant and SSP plant was 95% and 85% respectively. Such utilisation levels have not only helped us grow in term of revenue but also have made us efficient in our business operations.

**Expenditure****Revenue from Operations**

During the FY 2012, the revenue from operations increased to ₹1,507.10 mn from ₹1,305.74 mn for FY 2012, an increase of 15.42%. In October 2011, we commenced the commercial operations of our SSP plant with an installed capacity of 45,000 MTPA which generated the revenues of 213.85 mn during the six months period ended March 31, 2012. In addition, we also commenced the commercial operations of Oleum 65% in August 2011. During the period under review, the average capacity utilisation of our Acid plant and SSP plant was 95% and 85% respectively. Such utilisation levels have not only helped us grow in term of revenue but also have made us efficient in our business operations.

**Expenditure**

Our expenditure on raw material consumption considering changes in inventory increased to ₹1,150.22 mn in FY 2012 from ₹1,119.18 mn in FY 2011, i.e., an increase of 2.77% due to in house manufacture of acids, the raw material input has been lower during the year.

Our other expenses i.e. manufacturing, selling & distribution expenses and other administrative expenses increased to ₹119.00 mn in FY 2012 from ₹64.85 mn in FY 2011. This was mainly on account of the increase in selling and distribution expenses to ₹19.99 mn from 1.72 mn in FY 2011 and exchange rate fluctuation to 13.65 mn from Nil in FY 2011. Besides above, the overall increase in manufacturing and administrative expenses was mainly on account of higher sales in FY 2012 as compared to FY 2011.

During the year under review, the employee costs increased by 36.52% to ₹37.58 mn from 27.54 mn in FY 2011 primarily due to increases in salaries and wages and increase in employee strength.

**Finance Charges**

Finance charges for FY 2012 were ₹96.22 mn compared to ₹36.07 mn for FY 2011 mainly due to increase in term loan interest on account of conversion of FCNR term loan to INR term loan, forex rate fluctuation, & increase in the level of operation.

**Depreciation**

The depreciation for FY 2012 was ₹33.88 mn compared to ₹19.11 mn for FY 2011. The increase was mainly on account of the capital expenditure for SSP plant and Acid plants.

**Profit for the year**

As a result of foregoing factors, the net profit for FY 2012 increased by 104% to ₹53.54 mn from ₹27.54 mn in FY 2011.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There have been no events to the best of our knowledge, other than as described in this RHP, which may be called “unusual” or “infrequent”.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as mentioned under the heading entitled ‘Factors Affecting Results of Our Operations’ in this chapter, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

**3. Future changes in relationship between costs and income**

Other than as described elsewhere in this Prospectus, particularly in this chapter, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

**4. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase in revenues is mainly due to increased sales volume as well as increased sales prices due to more value added products. The company mainly caters in 4 major verticals viz., Dye Intermediates, Acid Complex, Cattle Feed Supplement and Fertilisers. The demand for these products varies across customer segments.

Changes in revenues during the last three years are as explained in the part *FY 2014 compared to FY 2013*, *FY 2013 compared to FY 2012* and *FY 2012 compared to FY 2011* in this chapter.

**5. Status of any publicly announced new products or business segments**

Except as described in this chapter and the chapter/section titled ‘Our Business’ and ‘Risk Factors’ beginning on page numbers 103 and 13, respectively, there are currently no publicly announced new products or business segments.

**6. Seasonality of Business**

Except for our fertilizer business, none of our other business segments are seasonal in nature.

**7. Any significant dependence on a single or few suppliers or customers**

Our top five customers accounted for 50.88% of our revenue from operations for FY 2013-14. The business with customers is based on regular requirements and orders, rather than yearly contracts. We are not dependent on single or few suppliers.

**8. 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 the chapter titled “Our Business” beginning on page number 103.



## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and financial institutions, for conducting its business.

Set forth below is a brief summary of our Company's significant outstanding secured borrowings of approximately ₹250.62 million and unsecured borrowings of approximately ₹1.69 million, as on March 31, 2015 together with a brief description of certain significant terms of such financing arrangements:

- A. Secured borrowings of our Company
- B. Common Restrictive Covenants
- C. Unsecured borrowings of our Company

Brief details of these facilities are as under:

### A. Secured borrowings of our Company

#### I. Working Capital Consortium Loan

Our Company has entered into a working capital consortium agreement dated February 07, 2006 as amended by supplementary working capital consortium agreement dated November 08, 2013 with State Bank of India ("Lead Bank"), State Bank of Travancore and IDBI Bank (together "Consortium Lenders") for credit facilities of up to ₹803.20 million ("Facilities"). Facilities provided by each Lender of the consortium:

##### 1. State Bank of India ('SBI') [Lead Bank of Consortium]

<b>Loan Documentation</b>	<ul style="list-style-type: none"> <li>A) Sanction letter by SBI dated May 18, 2015;</li> <li>B) Sanction letter by SBI dated February 06, 2014;</li> <li>C) Sanction letter dated November, 2013;</li> <li>D) Eighth supplemental joint deed of hypothecation dated November 08, 2013;</li> <li>E) Eighth Supplemental Interse Agreement dated November 08, 2013;</li> <li>F) Eighth Supplemental working capital consortium agreement dated November 08, 2013;</li> <li>G) Memorandum of deposit for creation of equitable mortgage dated March 25, 2013;</li> <li>H) NOC dated April 30, 2015 from State Bank of India in inducting IDBI bank as member bank in the consortium.</li> </ul>
<b>Sanctioned amount</b>	<p>₹505.52 million comprising of:</p> <p><i>Fund based:</i></p> <ul style="list-style-type: none"> <li>a) Demand Cash Credit of ₹250 million, including a sub-limit of: <ul style="list-style-type: none"> <li>• Book debts upto ₹210 million;</li> <li>• EPC (export packing credit) / PCFC (Packing credit in foreign currency) upto ₹50 million, including a sub-limit of: <ul style="list-style-type: none"> <li>• Export Bills Discounting of ₹50 million;</li> <li>• SLC of ₹15 million</li> </ul> </li> </ul> </li> <li>b) Term Loan IV of ₹2.00 million.</li> </ul> <p><i>Non-fund based:</i></p> <ul style="list-style-type: none"> <li>A) Letter of Credit facility of ₹210 million</li> <li>B) Buyer's Credit of ₹200 million</li> <li>C) Bank Guarantee limit of ₹20 million; and</li> </ul> <p>Off balance sheet exposure of ₹8.2 million.</p>
<b>Outstanding amount as on March 31, 2015</b>	<p>Cash Credit: ₹ 84.22 million</p> <p>Term loan: ₹ 2.20 million</p> <p>Bank Guarantee: ₹ 34.30 million</p> <p>Letter of credit: ₹16.29 million</p>
<b>Interest Rate</b>	<p><i>Demand Cash Credit including the sub-limit of book debts facility:</i> 2.00% above Base Rate; currently being 12.00 % p.a. with monthly rest.</p> <p><i>Export packing credit/PCFC/PSC/EBD facility:</i> As per SBI Exporters Gold Card Scheme; Currently being 10.45% p.a.</p>





	<i>Export bills discounting facility:</i> As per SBI Exporters Gold Card Scheme; Currently being 10.45% p.a.
	<i>Term loan IV – 13.85% p.a.</i>
<b>Repayment schedule</b>	<p>a) <i>Term Loan IV- 10</i> monthly instalments consisting of:</p> <p>(i) Ten monthly instalments of ₹0.2 million for the period commencing from May, 2015 to February, 2016.</p>
<b>Security</b>	<p><b>Term Loan IV:-</b></p> <ul style="list-style-type: none"> <li>Hypothecation of the entire current assets of our Company on pari-passu basis with State Bank of Travancore and IDBI Bank;</li> <li>Equitable Mortgage of factory land and building situated at B-102 (admeasuring 9,000 square feet), B-103 (admeasuring 7072 square metres) and D-25 (admeasuring 19471 square metres) at MIDC, Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra standing in the name of our Company and hypothecation charge on plant and machinery and other movable assets situated at above plants.</li> </ul> <p><b>Collateral:-</b></p> <ul style="list-style-type: none"> <li>Equitable Mortgage by way of second <i>pari-passu</i> charge (with State Bank of Travancore and IDBI Bank) on land and building of our Company located at B-102 at MIDC, Lote Parshuram, Taluka, Khed, District Ratnagiri, Maharashtra standing in the name of our Company;</li> <li>Equitable Mortgage by way of second <i>pari-passu</i> charge (with State Bank of Travancore and IDBI Bank) on land and building of our Company located at B-103 at MIDC, Lote Parshuram, Taluka, Khed, District Ratnagiri, Maharashtra standing in the name of our Company;</li> <li>Equitable Mortgage by way of second <i>pari-passu</i> charge (with State Bank of Travancore and IDBI Bank) on land and building of our Company located at D-25 at MIDC, Lote Parshuram, Taluka, Khed, District Ratnagiri, Maharashtra standing in the name of our Company;</li> <li>Hypothecation charge on plant and machinery on second <i>pari-passu</i> basis (with State Bank of Travancore and IDBI Bank) of our Company located at B-102, B-103 and D-25 located at MIDC, Lote Parshuram, Taluka- Khed, District- Ratnagiri, Maharashtra;</li> <li>Equitable Mortgage on flat number B/1-42, 4<sup>th</sup> floor, Gagan Complex situated at Gokuldharm, CST No. 156, Dindhoshi, Goregaon (East). Mumbai admeasuring 1216 square feet on first <i>pari-passu</i> basis with State Bank of Travancore and IDBI Bank;</li> <li>Equitable Mortgage of land with residential house on plot bearing number R-10/16, bearing Dhamandevi Grampanchayat house number 597, “Hill view Co-operative Housing Society” situated within MIDC Lote Village, Dhamandevi, Taluka- Khed, District- Ratnagiri on <i>pari-passu</i> basis with other consortium members. Property is in the name of Gautam Makharia, land area (1300 square feet) and Built up Area (1920 square feet);</li> <li>Fixed Deposit of ₹0.2 million in the name of our Company (exclusively with State Bank of India);</li> <li>Personal Guarantee of Punit Makharia and Gautam Makharia.</li> </ul>

## 2. State Bank of Travancore (‘SBT’)

<b>Loan Documentation</b>	Sanction letter by SBT dated March 13, 2014;
<b>Sanctioned amount</b>	₹150 million comprising: <ul style="list-style-type: none"> <li>a) <i>Cash credit:</i> upto ₹120 million;</li> <li>b) <i>Letter of cre dit:</i> upto ₹30 million;</li> <li>c) Bank guarantee of ₹15 million;</li> </ul>
<b>Outstanding amount as on</b>	<i>Bank Guarantee:</i> ₹ 19.18 million



<b>March 31, 2015</b>	<i>Letter of credit:</i> ₹ 13.08 million
<b>Interest Rate</b>	<i>Cash credit limit:</i> 2.50% p.a. above SBT Base Rate, presently 12.75% p.a. (floating). <i>Letter of Credit:</i> Charges/ Commission – 20% concessions from card rate plus applicable taxes.
<b>Repayment schedule</b>	<i>Cash credit limit:</i> 3 months from the date of sanction <i>Letter of Credit:</i> Usance upto 180 days
<b>Security</b>	Consortium Security Documents of title to goods covered by the letter of credit and extension of charge on current assets.  Collateral security: Plot of land situated at Gut No. 198, Village- Joran Taluka, Dindori, District – Nashik admeasuring 18.33 acres standing in the name of Punit Makharia  Plot bearing R-10/16 bearing Dhamandevi Grampanchayat and house No. 597 Hill View Co-operative Housing Society situated within MIDC Lote Village Dhamandevi Taluka, Khed, district Ratnagiri, standing in the name of Gautam Makharia.

### 3. IDBI Bank

<b>Loan Documentation</b>	A. Sanction letter dated September 04, 2014; B. Form CHG-1 dated November 24, 2014 C. Deed of Hypothecation dated October 28, 2014
<b>Sanctioned amount</b>	a) <i>Cash credit:</i> ₹5,00,00,000 b) <i>Letter of Credit:</i> ₹10,00,00,000
<b>Outstanding amount as on March 31, 2015</b>	<i>Cash Credit:</i> ₹ 13.34 million <i>Letter of Credit:</i> ₹ 117.03 million
<b>Interest Rate</b>	Cash credit: 12.30% p.a.
<b>Repayment schedule</b>	Repayable on demand
<b>Security</b>	<ul style="list-style-type: none"> <li>First <i>pari passu</i> charge on entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies receivables, both present and future.</li> <li>Second <i>pari passu</i> charge on plant &amp; machinery including its movable plant &amp; machinery, machinery spares, tools &amp; accessories and other movables both present &amp; future whether installed or not and whether lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of these presents be bought into or upon or be stored or be in or about all borrowers factories, premises and godowns or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery both present and future.</li> <li>Personal guarantee of Punit Makharia and Gautam Makharia.</li> </ul>

### II. Vehicle loans availed by our Company:

Sr. No.	Lender	Loan Amount (₹)	Rate of Interest (% p.a.)	Outstanding as on March 31, 2015 (₹ in million)	Repayment Schedule	Security (Hypothecation of the vehicle purchased)
1.	ICICI Bank (Loan Account Number LVMUM00026624 543)	2,830,000	11.25	1.23	47 EMIs of ₹74,724 each commencing from November 2012	Dumper



Sr. No.	Lender	Loan Amount (₹)	Rate of Interest (% p.a.)	Outstanding as on March 31, 2015 (₹ in million)	Repayment Schedule	Security (Hypothecation of the vehicle purchased)
2.	ICICI Bank (Loan Account Number LVMUM00026624 541)	2,830,000	11.25	1.23	47 EMIs of ₹74,724 each commencing from November 2012	Dumper
3.	HDFC bank (Auto loan a/c No. 24562759)	450,000	9.95	0.19	36 EMIs of ₹14,499 each commencing from June 05, 2013	Indica Vista LX Quadrajat
4.	SKODA finance (car loan account number 20141047738)	2,200,000	10.43	1.41	36 EMIs of ₹70,818 each commencing from February 2014	Skoda Superb Elegance AT 20 CRDI (Plus) (VW) chasis no. TMBBEA3T1EA300 167
5.	Kotak Mahindra Prime Limited (loan account number CF-9031290)	410,199	11.25	0.14	35 EMIs of ₹13,802 each commencing from April 10, 2013	Maruti Wagon R LXI
6.	HDFC Bank (car loan account number 33388156)*	500,000	10.25	N.A.	36 EMIs of ₹16,055 each commencing from August 05, 2015	Honda Amaze

\*This loan has been availed as on July 25, 2015 wherein our Company is co-applicant along with our Promoter, Guatam Makharia.

### III. Equipment loans availed by our Company:

Sr. No.	Lender	Loan Amount in)	Rate of Interest (% p.a.)	Outstanding as on March 31, 2015 (₹ in million)	Repayment Schedule	Security (Hypothecation of the equipment purchased)
1.	Reliance Commercial Finance (Loan A/c No. RLCEMUM00022 4979)	487,500	12.50	0.11	35 EMIs commencing from December 2012	Tractor
2.	Reliance Commercial Finance (Loan A/c No. RLCEMUM00022 4980)	487,500	12.50	0.11	35 EMIs commencing from December 2012	Tractor

### B. Common Restrictive Covenants

Pursuant to the Consortium Agreement and other financing arrangements described above, our Company shall not, *inter alia*, without the prior written consent, in some cases, or without prior written intimation to Consortium Lenders ('Lenders'):

- Avail any fresh borrowings (except vehicle loans);
- Induct into its Board any person whose name appears in the wilful defaulters list of CIBIL (other than as a nominee / professional / honorary Director);
- Effect any changes in its capital structure;



- Formulate any scheme of amalgamation or reconstruction;
- Undertake any new project, implement any scheme of expansion or acquire any fixed assets except those indicated in the funds flow statement submitted to the Lenders from time to time;
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including associate / group companies);
- Enter into borrowing arrangements either secured or unsecured, with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Lenders from time to time and approved by the Lenders;
- Undertake any guarantee obligation on behalf of any other company (including group companies);
- Declare dividends for any year out of profits relating to that year or of the previous years;
- Create any charge, lien or encumbrances over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Lenders;
- Enter into any contractual obligation of a long term nature or affecting our Company financially to a significant extent;
- Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.;
- Undertake any trading activity other than the sale of products arising out of its own manufacturing operations;
- Permit any transfer of the controlling interests or make any drastic change in the management operations;
- Repay monies brought in by the Promoters / Directors / principal shareholders and their friends and relatives by way of deposits / loans / advances.
- Enhance its working capital limits;
- Resort to double financing either in foreign currency or ₹ for its working capital requirements;
- Change Directors/ownership/Promoters/major shareholders.
- Cross default by the borrower;

#### Events of default:

- Invalidity or unenforceability of any security;
- The borrower/ promoter/ guarantor sells/ pledges its existing shareholding of our Company without prior written permission of the bank.
- Any step taken for dissolution or winding up of our Company;
- Any change in material ownership structure of our Company;
- At any time pledge/ encumbrance of shareholding of pledgers/ guarantors in our Company exceeds 60% of their shareholding.

#### C. Unsecured Borrowings

Following are the details of the unsecured borrowings of our Company as on March 31, 2015 which are payable on demand:

Name of the Lender	Amount Outstanding as on March 31, 2015 (₹in million)	Rate of Interest
Punit Makahria	0.57	Nil
Gautam Makharia	0.11	Nil
<b>Total</b>	<b>0.68</b>	<b>Nil</b>



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and our Group Company and there are no defaults, non-payment of statutory dues, over-dues to banks / financial institutions / small scale undertaking(s), defaults against banks / financial institutions / small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue / other liabilities, proceedings initiated for / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of part I of Schedule V of the Companies Act 2013) other than unclaimed liabilities of our Company and disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters or our Group Company that would result in a material adverse effect on our business taken as a whole.*

*Further, except as disclosed hereunder our Company, our Directors or our Promoters or our Group Company have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.*

*For details of the contingent liabilities of our Company, please refer to the section titled “Financial Information” beginning on page number 152.*

#### **I. Litigation involving our Company**

##### **A. Against our Company**

###### **i. Criminal cases**

Maharashtra Pollution Control Board (“MPCB”) had filed a criminal complaint no. 31/2003 dated May 6, 2003 (“Complaint”) against our Company wherein our directors Gautam Makharia and Punit Makharia (“Accused”) have been named. The said Complaint was in respect of non compliance of certain conditions stated in the consent to operate dated November 23, 2000 granted to our Company by MPCB. It was alleged that our Company has not completed the upgradation. MPCB had also alleged that effluent treatment plant was not working regularly and the treated effluent was not within the permissible standards. It has been alleged *vide* the said Complaint that the Accused have jointly and severally committed an offence under Section 41, 44, 45A read with Section 25/26, 33A of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 38 read with Section 21 and 31A of the Air (Prevention and Control of Pollution) Act, 1981 and Section 15 read with Section 6 and 8 of the Environment (Protection) Act, 1986 and Hazardous Waste (Management & Handling) Rules, 1989, and hence liable for punishment. Our Directors have deposited a total bail amount of Rs. 6,000 alongwith an amount of Rs. 600 towards cancellation of their warrants, with the Civil Court Khed, in respect of cancellation of warrant *vide* receipt dated August 10, 2007.

###### **ii. Civil Cases**

Nil

###### **iii. Sales Tax**

*Assessment Year 2006-07*

- (i) Our Company received an order under Section 23(5) of the Maharashtra Value Added Tax, 2002 issued by the Sales Tax Officer, Ratnagiri raising a demand of ₹991,721. Our Company has filed an appeal under Section 26(1)(a) of the Maharashtra Value Added Tax Act, 2002 dated October 16, 2010 and an application for grant of stay against the order of assessment. *Vide* an order no. DCC/App/(KOP-App-E-001) Kolhapur proceeding dated January 25, 2010 passed by the Additional CST/D.C. of S.T. Kolhapur for the period from April 1, 2006 to March 31, 2007 stating that ad-interim stay is extended



till January 16, 2012 and our Company was directed to make a payment of ₹300,000 which was paid by our Company under protest. The matter is yet to come up for hearing.

*Assessment Year 2007-08*

- (ii) Our Company received an order of assessment under Central Sales Tax Act, 1957 dated August 21, 2010 raising a demand of ₹6,588,562 on our Company. Our Company has filed an appeal under Section 33(1) of Maharashtra Value Added Tax Act, 2002 against the said order of assessment. Our Company has paid ₹300,000 under protest to the Sales Tax Department in relation to the said order. The matter is yet to come up for hearing.

iv. **Income Tax**

*Assessment Year 2010-2011*

- (i) Our Company has received a letter dated July 23, 2012 issued by the Assistant Commissioner of Income Tax- 7 (2) under Section 142 (1) of the IT Act requesting documents/ accounts at the office on August 9, 2012. Our Company has replied *vide* letter dated August 9, 2012 requesting the details of the documents/ accounts required. Further, our Company received a notice under Section 142(1) from the Assistant Commissioner of Income Tax dated September 7, 2012 and October 11, 2012 to furnish certain documents for assessment. Our Company submitted the said documents *vide* letter dated October 15, 2012. On January 9, 2013, our Company received a notice under Section 271(1)(c) from the Deputy Commissioner of Income Tax demanding an explanation from our Company as to why our Company did not appear before the Deputy Commissioner of Income Tax during the assessment procedure and directed our Company to remain present on January 17, 2013. Our Company has filed a letter dated January 11, 2013 explaining as to why our Company did not appear during the assessment procedure. The Deputy Commissioner of Income Tax thereafter passed the assessment order on January 9, 2013 raising a demand of ₹606,160 on our Company. Our Company has filed an appeal dated February 14, 2013 before the Commissioner of Income Tax (Appeals)-13 under Section 246A(i)(a). The matter is yet to come up for hearing.

*Assessment Year 2009-10*

- (ii) Our Company received an assessment order dated December 12, 2011 issued by the Office of the Assistant Commissioner of Income Tax, (OSD) 7 under Section 143(3) of the IT Act in connection with the Assessment Year 2009-10 along with a notice of demand under Section 156 *vide* notice dated December 12, 2010 for a sum of ₹1,769,450. Our Company filed rectification petitions claiming the tax credit and depreciation on March 27, 2012 and April 18, 2012 respectively. The Deputy Commissioner of Income Tax thereafter passed an order under Section 263 of the IT Act on March 8, 2013 and directed our Company to recompute the income for the Assessment Year 2009-10. Further, our Company received a notice under Section 142(1) for scrutiny assessment on August 16, 2013 and was requested to produce certain documents. Our Company replied to the said notice *vide* letter dated November 8, 2013 along with the details requested. On December 2, 2013, Deputy Commissioner of Income Tax passed an order under Section 143(3) of the IT Act raising a demand of ₹ 3,633,540. Thereafter, our Company filed an appeal dated February 21, 2014 under Section 143(3) against the said amount of ₹3,633,540. The matter is yet to come up for hearing.

v. **Other notices:**

- (i) In connection with the Assessment Year 2006-07, our Company was directed to submit certain documents to the Income Tax Officer – 7(2)(2). Our Company had received a letter bearing no. DCIT/Rg.7(2)/2007-08 dated November 27, 2007 raising certain queries and directed our Company to clarify the discrepancy regarding the entries pertaining to the claim of TDS in connection with the return filed for the Assessment Year 2006-07 regarding the TDS claim made by our Company. Our Company *vide* its reply dated December 18, 2008 informed the Income Tax Officer – 7(2)(2) that it has paid the TDS for the month of March 2006 on November 27, 2006. There has been no further communication in the matter.





- (ii) Our Company received an assessment order under Section 143(3) of the IT Act dated December 28, 2007 from the Office of the Income Tax Officer – 7(2)(3) issued in connection with the Assessment Year 2005-06. Our Company claimed set off of net profit of ₹6,735,555 against unabsorbed depreciation of ₹3,102,474 and ₹3,450,739 pertaining to Assessment Year 2000-01 and 2001-02. The Office of the Income Tax Officer – 7(2)(3) disallowed depreciation on vehicle, vehicle expenses, interest on car loan, staff welfare and travelling and conveyance, miscellaneous expenses and assessed the net profit as ₹6,735,555 which was set off against unabsorbed depreciation of ₹3,102,474 and ₹3,632,082 pertaining to Assessment Year 2000-01 and 2001-02 and issued a notice of demand dated December 28, 2007 under Section 156 of the IT Act for nil amount. There has been no further communication in the matter.
- (iii) Our Company received an assessment order under Section 115 WE (3) of the IT Act dated December 18, 2008 from the Office of the Income Tax Officer – 7(2)(2) issued in connection with the Assessment Year 2006-07 along with notice of demand under Section 156 vide notice dated December 18, 2008 for a sum of ₹3,316. Our Company has paid the said amount vide cheque number 096411 dated May 3, 2012 drawn on State Bank of India. There has been no further communication in the matter.
- (iv) Our Company received an assessment order under Section 143(3) of the IT Act dated December 18, 2008 from the Office of the Income Tax Officer – 7(2)(2) issued in connection with the Assessment Year 2006-07 along with notice of demand under Section 156 vide notice dated December 18, 2008 for a sum of ₹82,889. Our Company has paid the said amount vide cheque number 096410 dated May 3, 2012 drawn on State Bank of India. There has been no further communication in the matter.
- (v) In connection with the Assessment Year 2006-07, our Company was directed to submit certain documents to the Income Tax Officer – 7(2)(2). Our Company *vide* its reply dated December 16, 2008 informed Income Tax Officer – 7(2)(2) that it has given corporate guarantee for housing loan taken by its directors. There has been no further communication in the matter.
- (vi) Our Company received a letter bearing reference no. ACCC.18&19/2008-09 issued by the Office of the Assistant Commissioner of Income Tax, 13(1) on September 4, 2008 directing our Company to show cause within seven days from the date of receipt of the said letter as to why penal actions under Section 276CC of the IT Act should not be initiated against our Company for non-filing of return of income for several assessment years. Our Company has been filing the income tax returns regularly and there has been no further development in the matter.
- (vii) Our Company received a requisition under Section 133(6) of the IT Act dated November 17, 2009 bearing reference no. ITO/15(2)-1/133(6)/Req./2009-10 issued by the Office of the Income Tax Officer – 15(2)(1) in relation to income tax assessment in the case of M/s. Arvind Engineering Works for the Assessment Year 2007-08. The office of the Income Tax Officer – 15(2)(1) *vide* the said requisition directed our Company to provide documents and information pertaining to business transactions with M/s. Arvind Engineering Works to be submitted to the office of the Income Tax Officer – 15(2)(1) on or before November 24, 2009. Our Company thereafter submitted the requisitioned information. There has been no further communication in the matter.
- (viii) Our Company received an assessment order dated November 30, 2009 issued by the Office of the Assistant Commissioner of Income Tax – 7(2) under Section 143(3) of the IT Act in connection with the Assessment Year 2007-08 along with a notice of demand under Section 156 vide notice dated November 30, 2009 for a sum of ₹1,251,919. Our Company had filed a rectification petition dated February 2, 2008 and February 8, 2010 regarding allowability of Minimum Alternate Tax (MAT) credit and TDS claiming that the Income Tax – 7(2) had not given the credit of MAT and TDS for an amount of ₹7,115,39 and ₹215,599 respectively thereby creating no tax liability on our Company and requested that the impugned assessment order be accordingly amended. There has been no further communication in the matter.
- (ix) Our Company received letters dated February 26, 2010 and December 31, 2009 issued by the Office of the Tax Recovery Officer (TDS) Rg.-3 under the provisions of Chapter XVII-B of the IT Act in relation to the return of income filed by our Company for the Assessment Year 2009-10. Our Company was directed to provide a breakup of the sum of ₹4,837,666 claimed as deduction of tax under section 40 (a)(i), 40(a)(ia) and 40(a)(iii) of the IT Act within 15 days from the date of the respective letters.





Thereafter, our Company had filed revised TDS returns and there have been no further communication in the matter.

- (x) Our Company received an enquiry letter dated April 7, 2010 bearing reference no. DCIT.CC-1(1)/133(6)/2010-11 issued by the Deputy Commissioner of Income Tax, Central Circle – 1(1), Ahmedabad under Section 133(6) of the IT Act in relation to income tax assessment in the case of Meghmani Dyes and Intermediates Limited for the Assessment Year 2008-09. Our Company was thus directed to provide documents and information pertaining to business transactions with Meghmani Dyes and Intermediates Limited to be submitted to the Deputy Commissioner of Income Tax, Central Circle – 1(1), Ahmedabad. Our Company vide its letter dated April 19, 2010 submitted the requisitioned information. There has been no further communication in the matter.
- (xi) Our Company received a letter under Section 133 (6) of the IT Act dated June 30, 2010 bearing reference no. ITO-5(1)(4)/133(6)/2010-11 issued by the Office of the Inc Tax Officer – 5(1)(4) wherein our Company was directed to produce the documents and information in relation to the transactions of our Company with Hiral Chemicals Limited for the Assessment Year 2005-06. Our Company has not replied to the said letter however there has been no further communication in the matter.
- (xii) Our Company received a letter dated September 28, 2010 bearing reference no. ITO (TDS) 3(2)/ TDS Suspense/2010 issued by the Office of the Income Tax Officer (TDS) – 3(2). The Office of the Income Tax Officer (TDS) – 3(2) vide its said letter directed our Company to clarify the discrepancy regarding the entries pertaining to the claim of TDS in connection with the return filed for the Assessment Year 2009-10. The matter has been addressed in the orders passed by the Deputy Commissioner of Income Tax on March 8, 2013 wherein our Company was directed to recompute the income for the Assessment Year 2009-10.
- (xiii) Our Company received an assessment order dated December 20, 2010 from the Office of the Assistant Commissioner of Income Tax – 7(2) issued under Section 143(3) of the IT Act in connection with the Assessment Year 2008-09 along with notice of demand under Section 156 vide notice dated December 20, 2010 for a sum of ₹5,189,438. Our Company filed a rectification petition dated February 8, 2011 under Section 154 of the IT Act against the order dated December 20, 2010, before the Office of the Assistant Commissioner of Income Tax – 7(2) for taking into consideration the deduction under Section 80IB of the IT Act, TDS certificate, advance tax and self assessment tax challan thereby creating no tax liability on our Company and requested that the impugned assessment order be accordingly amended. Our Company has filed a further rectification petition under Section 154 dated April 18, 2012 for allowability of additional depreciation of ₹6,900,83. There has been no further communication in the matter.
- (xiv) Our Company received requisitions under Section 133(6) of the IT Act dated July 15, 2011 bearing reference no. DY.CIT/TPO-II/AHD/Asiatic/133(6)/2011-12 and dated August 11, 2011 bearing reference no. DY.CIT(TPO-II)/AHD/Asiatic/133(6)/2011-12 issued by the Deputy Commissioner of Income Tax (TPO)-II Ahmedabad in relation to income tax assessment in the case of Asiatic Colour Chem Industries Limited for the Assessment Year 2008-09. The office of the Deputy Commissioner of Income Tax (TPO)-II Ahmedabad vide the said requisition directed our Company to provide documents and information pertaining to business transactions with Asiatic Colour Chem Industries Limited to be submitted to the office of the Deputy Commissioner of Income Tax (TPO)-II Ahmedabad. Our Company vide its letter dated August 23, 2011 submitted that Company has no transaction with Asiatic Colour Chem Industries Limited for Assessment Year 2008-2009 and Company is not manufacturing the material as stated in the notice. There has been no further development in the matter.
- (xv) Our Company received orders under Section 201 (1)/ 201(1A) of the IT Act passed by the Income Tax Officer (TDS)-3(2) along with a notices of demand all dated September 20, 2011 under Section 156 for tax liabilities (tax deducted at source) of ₹14,717; ₹10,938; ₹245,519; ₹6,051 inclusive of interest for 1st , 2nd 3rd and 4th quarter respectively. The tax liability was to be paid within 30 days of the service of the notice. The amount had been raised due to irregularity of PAN numbers. Our Company has filed a revised TDS returns with the rectified PAN numbers. There has been no further development in the matter.



- (xvi) Our Company has received a notice dated November 29, 2011 from the Assistant Commissioner of Income Tax – 7(2) whereby our Company has been asked to pay the unpaid amount of the Self Assessment Tax for an amount of ₹9,501,530 or else the recovery proceedings as well as penalty proceedings under section 140 A of the Income Tax Act can be initiated against our Company. Our Company has made the payment of the said amount and there has been no further development in the matter. *Vide* letter dated February 24, 2012 our Company has provided details of the payments made.
- (xvii) Our Company received orders dated January 20, 2012 and June 29, 2012 under Section 200A of the IT Act passed by the Income Tax Officer (TDS)-3(2) along with a notices of demand under Section 156 for tax liabilities (tax deducted at source) of ₹169,679; ₹386,507; ₹250,076; ₹432,882 inclusive of interest for 1st, 2nd, 3rd and 4th quarter respectively. The tax liability was to be paid within 30 days of the service of the notice. The amounts had been raised due to irregularity of PAN numbers. Our Company has filed a revised TDS return with the rectified PAN numbers. There has been no further development in the matter.
- (xviii) Our Company has received a show cause notice dated July 16, 2012 under Section 221(1) of the IT Act relating to penalty for demands made under Sections 143(1), 143(3) and 154 for the Assessment Year 2006-07, 2008-09, 2009-10 and 2010-11 for the amounts ₹82,889 under Section 143(3), ₹5,189,438 under Section 143(3), 2804028 under section 154, ₹1,769,450 under Section 143(3) and ₹462,752 under Section 143(1) respectively. Our Company has replied *vide* letter dated August 9, 2012 that our account was selected for scrutiny assessment under Section 143(2) and we have paid the dues for Assessment Year 2006-07 and filed the rectification petition for 2008-09 and 2009-2010 and for Assessment Year 10-11, the scrutiny assessment under Section 143(2) is under process. There has been no further communication in the matter.
- (xix) Our Company received an order dated February 16, 2012 from the Assistant Commissioner of Income Tax – 7(2) issued under Section 154 of the IT Act adding the additional depreciation of ₹690,083 claimed, to the total income along with a notice of demand under Section 156 for ₹2,804,030 after taking into account, the tax already paid. Our Company has filed a rectification petition dated April 18, 2012, claiming additional depreciation of ₹690,083 and claiming deduction under Section 80IB. There has been no further development in the matter.
- (xx) Our Company has received a show cause notice dated July 16, 2012 under Section 221(1) of the IT Act relating to penalty for demands made under Section 143(1) for the Assessment Year 2006-07, 2007-08, 2008-09. Our Company has replied *vide* letter dated August 9, 2012 that our account was selected for scrutiny assessment under Section 143(2) and we have paid the dues for AY 2006-07, filed the rectification petition for Assessment Year 2007-08, 2008-09. There has been no further communication in the matter.
- (xxi) Our Company has received a show cause notice dated August 17, 2012 under Section 154 of the IT Act relating for the Assessment Year 2008-09 and under Section 143(1) for the Assessment Year 2010-11 for ₹2,804,028 and ₹462,752 respectively. Our Company has replied *vide* letter dated September 3, 2012 that our Company had filed a rectification petition for the above. There has been no further communication in the matter.
- (xxii) Our Company received an order under Section 201 (1)/ 201(1A) of the IT Act passed by the Income Tax Officer (TDS)-3(2) along with a notice of demand dated November 23, 2012 under Section 156 for tax liability (tax deducted at source) of ₹323,550 inclusive of interest for 4th quarter. The tax liability was to be paid within 30 days of the service of the notice. The amount had been raised due to irregularity of PAN number. Our Company has filed a revised TDS return with the rectified PAN number. There has been no further development in the matter.
- (xxiii) Our Company received a show cause notice no. CIT-7/263/8/2012-13 dated December 26, 2012 in relation to the deduction of ₹2,386,939 under Section 80 IB for considering the value of the plant and machinery to ascertain whether the same is within the eligibility requirements of an SSI and accordingly whether Company can claim deduction under Section 80 IB by virtue of it being an SSI. Our Company filed its reply to the said show cause notice *vide* letter dated February 19, 2013 setting out its contentions for being an SSI unit for that assessment year. There has been no further development in the matter.



- (xxiv) Our Company has received a notice dated February 27, 2013 from the Deputy Commissioner of Income Tax – 7(2) whereby our Company has been asked to pay the unpaid amount of the Self Assessment Tax for an amount of ₹2,093,119 which attracts interest under Section 234 of the IT Act. Our Company has made the payment of the said amount and there has been no further development in the matter.

Our Company received an assessment order dated March 29, 2014 from the Office of the Deputy Commissioner of Income Tax – 7(2) issued under Section 143(3) of the IT Act in connection with the Assessment Year 2012-13 along with notice of demand under Section 156 vide notice dated March 29, 2014 for a sum of ₹4,121,440. Our Company filed rectification petition claiming the tax credit on June 2, 2014 and has further submitted a letter dated July 28, 2014 requesting withdrawal of the demand notice for ₹4,121,440.

- (xxv) Our Company has received a notice dated September 22, 2014 u/s 143(2) of IT Act in respect of return of income filed by the Company for the AY 2013-14 whereby the Assistant Commissioner of Income Tax-7 (2) has asked for further information. Our Company was requested to attend the office of the Assistant Commissioner of Income Tax-7 (2) on September 29, 2014 or to produce the required documents, accounts or other evidence supporting the return filed by the Company. Our Company has replied to the said notice vide its letter dated September 29, 2014 requesting the Assistant Commissioner of Income Tax-7 (2) to allow them to present the documents at a future date. There has not been any further communication in this matter.

vi. **Central Excise**

- i. Our Company has filed an appeal dated July 19, 2013 before the Customs, Excise & Service Tax Appellate Tribunal, West Zonal Branch against an order no. 09/CEX/COMMR/KOP/2013 dated April 26, 2013 passed by the Commissioner of Central Excise and Service Tax, Kolhapur (“*Commissioner*”) imposing excise duty of ₹13,051,663, penalty of ₹13,051,663 and fine of ₹20,800,000 on our Company. The said order was passed in relation to the show cause cum demand notice dated July 26, 2012 for levy of excise duty of ₹13,051,663 calculated at rate of 10% on manufacture of Di-Calcium Phosphate (“*DCP*”) for the period of June 2008 to October 2011. Commissioner has disallowed classification of DCP under CH 23 of First Schedule to the Central Excise Tariff Act (“*CETA*”) and the NIL rate of duty and has classified DCP under CH 28 and CH 29 of First Schedule to the CETA which attracts excise duty of 10%. The matter is pending at the stage of final hearing.
- ii. Our Company has filed an appeal dated April 7, 2014 before the Commissioner of Central Excise (Appeals), Pune-II against the order-in-original number Ratna/175/ADC/KOP/2013-14 dated October 31, 2013 passed by Assistant Commissioner, Central Excise Division, Ratnagiri imposing excise duty of ₹1,543,614, penalty of ₹1,543,614 and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices for the periods November 2011, February 2012, April 2012 and May 2012 for levy of excise duty ₹367,952, ₹395,932, ₹458,247 and ₹321,483 respectively aggregating to ₹1,543,614. Assistant Commissioner has classified Di-Calcium Phosphate (“*DCP*”) under CH 28 and CH 29 of First Schedule to the Central Excise Tariff Act (“*CETA*”) which attracts 10% excise duty and has disallowed classification of DCP under CH 23 of CETA, subject to NIL excise duty, done by our Company. Our Company replied to the show cause cum demand notices vide letters dated December 24, 2012, March 23, 2013, April 30, 2013 and April 30, 2013 respectively. The matter is currently pending with the Commissioner of Central Excise (Appeals).
- iii. Our Company has filed an appeal dated April 7, 2014 before the Commissioner of Central Excise (Appeals), Pune-II against the order in original number 16/CEX/ADC/KOP/2014 dated February 28, 2014 passed by Additional Commissioner, Central Excise, Kolhapur imposing excise duty of ₹1,040,378 and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices for the periods December 2011 to January 2012 for levy of excise duty ₹1,040,378. Additional Commissioner has classified Di-Calcium Phosphate (“*DCP*”) under Tariff Item no.2835 2500 under the Central Excise Tariff Act (“*CETA*”) which attracts 10% excise duty and has disallowed classification of DCP under Tariff Item 2309 90 90 of CETA, subject to NIL excise duty, done by our Company. Our Company replied to the show cause cum demand notice vide letter dated February 7, 2012. The matter is currently pending Commissioner of Central Excise (Appeals).



- iv. Our Company has filed an appeal dated April 7, 2014 before the Commissioner of Central Excise (Appeals), Pune-II against the order number 18/CEX/ADC/KOP/2014 dated February 28, 2014 passed by Additional Commissioner, Central Excise, Kolhapur imposing excise duty of ₹2,171,034 and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices for the periods June 2012 to August 2012 for levy of excise duty ₹2,171,034. Additional Commissioner has classified Di-Calcium Phosphate ("DCP") under Tariff Item no.2835 2500 under the Central Excise Tariff Act ("CETA") which attracts 10% excise duty and has disallowed classification of DCP under Tariff Item 2309 90 90 of CETA, subject to NIL excise duty, done by our Company. Our Company replied to the show cause cum demand notice vide letter dated November 6, 2012. The matter is currently pending at Commissioner of Central Excise (Appeals).
- v. Our Company has filed an appeal dated April 7, 2014 before the Commissioner of Central Excise (Appeals), Pune II against order number 17/CEX/ADC/KOP/2014 dated February 28, 2014 passed by the Additional Commissioner, Central Excise, Kolhapur imposing excise duty of ₹562,071 and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices for the periods March 2012 for levy of excise duty ₹562,071. Additional Commissioner has classified Di-Calcium Phosphate ("DCP") under Tariff Item no.2835 2500 under the Central Excise Tariff Act ("CETA") which attracts 10% excise duty and has disallowed classification of DCP under Tariff Item 2309 90 90 of CETA, subject to NIL excise duty, done by our Company. Our Company replied to the show cause cum demand notice vide letter dated November 6, 2012. The matter is currently pending at Commissioner of Central Excise (Appeals).
- vi. Our Company has filed an appeal dated April 7, 2014 before the Commissioner of Central Excise (Appeals), Pune II against order number 19/CEX/ADC/KOP/2014 dated February 28, 2014 passed by the Additional Commissioner, Central Excise, Kolhapur imposing excise duty of ₹3,409,914 and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices for the periods September 2012 to March 2013 for levy of excise duty ₹3,409,914. Additional Commissioner has classified Di-Calcium Phosphate ("DCP") under Tariff Item no.2835 2500 under the Central Excise Tariff Act ("CETA") which attracts 10% excise duty and has disallowed classification of DCP under Tariff Item 2309 90 90 of CETA, subject to NIL excise duty, done by our Company. Our Company replied to the show cause cum demand notice vide letter dated November 6, 2012. The matter is currently pending at Commissioner of Central Excise (Appeals).
- vii. Our Company has filed an appeal dated July 14, 2015 before the Commissioner of Central Excise (Appeals), Tarabai Park, Kolhapur against order number O-In-O No. Ratna/257/14-15 dated March 23, 2014 passed by the Assistant Commissioner, Central Excise & Service Tax Division - V, Ratnagiri imposing excise duty of ₹455,154 and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices for the periods January 2014 for levy of excise duty ₹455,154. Assistant Commissioner has classified Di-Calcium Phosphate ("DCP") under Tariff Item no.2835 2500 under the Central Excise Tariff Act ("CETA") which attracts 10% excise duty and has disallowed classification of DCP under Tariff Item 2309 90 90 of CETA, subject to NIL excise duty, done by our Company. The matter is currently pending at Commissioner of Central Excise (Appeals).
- viii. Our Company has filed an appeal dated July 14, 2015 before the Commissioner of Central Excise (Appeals), Bagal Chowk, Kolhapur against order number O-In-O No. 01/CEX/JC/KOP/15-16 dated April 24, 2015 passed by the Joint Commissioner, Central Excise & Service Tax, Kolhapur imposing excise duty of ₹5,645,641 (₹3,994,885 for the period April 2013 to September 2013 and ₹1,650,756 for the period October 2013 to December 2013) and appropriate statutory interest on excise duty payable under Section 11AA of Central Excise Act, 1944. The order was passed in relation to the show cause cum demand notices dated March 31, 2014 for the period April 2013 to September 2013 and May 23, 2014 for the period October 2013 to December 2013 respectively for levy of excise duty ₹5,645,641. Joint Commissioner has classified Di-Calcium Phosphate ("DCP") under Tariff Item no.2835 2500 under the Central Excise Tariff Act ("CETA") which attracts 10% excise duty and has disallowed classification of DCP under Tariff Item 2309 90 90 of CETA, subject to NIL excise duty, done by our Company. Our Company replied to the show cause cum demand notices vide letter dated September 8, 2013. The matter is currently pending at Commissioner of Central Excise (Appeals).

**B. By our Company***Civil Cases*

- i. Company had filed a civil suit no. 241 of 2002 against the Maharashtra State Electricity Board ("MSEB") before the Hon'ble Civil Judge Sr., Division, Ratnagiri, in relation to dues of electricity. MSEB had alleged that the current transformer was faulty from the date of its installation and has accordingly issued a supplementary bill dated February 22, 2000 of ₹1,020,000 ("Bill") against units which were not recorded due to faulty current transformer from date of installation to October 20, 1999. Our Company has filed a reply dated September 16, 2002 in relation to the disputed electricity dues and refund of the excess amount of ₹270,000 deposited in appeal to the Chairman, MSEB for early settlement of the matter. Thereafter, The Civil Judge Sr., Division, had dismissed the suit. After the suit was dismissed, another notice dated July 23, 2014 ("Notice") was issued by MSEB whereby they had sought to disconnect the power supply of the electricity of the Company for non-payment of ₹743,918 alongwith interest of ₹1,922,300 aggregating to ₹2,666,218. The Company then filed a writ petition against MSEB before the High Court of Bombay challenging the Notice. The High Court of Bombay granted stay to the disconnection of electric supply by imposing certain condition of depositing original disputed amount of ₹743,918 which were deposited by the Company. The High Court had also directed the Company to avail proper remedy. Therefore, Gautam Makharia, on behalf of the Company has filed a civil miscellaneous application No. 3/2015 for temporary injunction before the Additional District Judge, Khed where it has been prayed that MSEB be restrained from causing any disconnection of electricity till the final disposal of the proceeding.

**II. Litigation involving our Directors / Promoters****A. Against our Directors / Promoters***Punit Makharia*

- i. City Sessions Court, Greater Bombay ("Court") has issued a notice for trial to Punit Makharia and Gautam Makharia ("The Directors") in relation to CBI Special Case No. 6 of 2008. Court directed The Directors to be present before the Court on June 19, 2008. M/s Sana International and M/s Universal Exports ("Firms") had opened Inland Letter of Credits ("ILC") in Andhra Bank in relation to some transactions with our Company. M/s Sana International had opened three ILC's of ₹1,491,000, ₹1,674,000 and ₹2,472,500 respectively aggregating to ₹5,637,500 in favour of our Company and M/s Universal Exports had opened two ILC's of ₹2,052,000 and ₹2,414,000 aggregating to ₹4,466,000. The goods were supplied to the Firms and the abovementioned five ILC's were discounted by our Company. But the Firms defaulted in making payments for these five ILC's among others, which were later repaid in accordance with compromise formula between the bank and the Firms. CBI later filed a case against the Firms and the beneficiaries of LC's opened by the Firms and the officials of the Bank involved in the LC process under Sec. 120-B r/w Sec. 419, 420, 467, 463 and 471 of Indian Penal Code, 1860 and Section 13 (2) r/w Sec. 13 (1) (d) of Prevention of Corruption Act, 1988.
- ii. For details of criminal proceedings against Punit Makharia, in his capacity as Director of our Company, please refer to sections titled '*Outstanding Litigation and Material Developments – Litigation against our Company – Criminal Cases*' beginning on page number 184.

*Gautam Makharia*

- iii. For details of criminal proceedings against Gautam Makharia, in his capacity as Director of our Company, please refer to sections titled '*Outstanding Litigation and Material Developments – Litigation against our Company – Criminal Cases*' beginning on page number 184.

*Poonam Garg*

*Name of our Nominee Director, Poonam Garg is appearing on the CIBIL website as a nominee director of Titan Energy Systems Limited which has defaulted in payment to State Bank of India amounting to ₹ 5,627.35 lacs for the period ending December 31, 2014.*





**B. By our Directors / Promoters**

Nil

**III. Litigation involving our Group Company**

**A. Against our Group Company**

Nil

**B. By our Group Company**

Nil

**IV. Potential Litigation**

*Central Excise*

- i. Our Company has received a show cause cum demand notice ("*Notice*") dated June 1, 2012 from Additional Commissioner of Central Excise and Service Tax, Kolhapur for wrongly availing of CENVAT credit for the period from 2007-08 to December 2011. It has been alleged in the Notice that Company has wrongly availed total CENVAT credit of ₹4,900,316 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. ("*Goods*") by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has filed a reply dated October 1, 2012 stating that our Company has not used the goods for making/fabricating structure, instead our Company has used the Goods for setting of plant like tanks, vessels. Accordingly, our Company has requested to drop the show cause cum demand notice as the CENVAT credit has been correctly availed. There is no further communication in this regard.
- ii. Our Company has received a show cause cum demand notice ("*Notice*") dated January 24, 2013 from Assistant Commissioner of Central Excise and Service Tax, Ratnagiri for wrongly availing of CENVAT credit for the period from January 2012 to September 2012. It has been alleged in the Notice that our Company has wrongly availed total CENVAT credit of ₹119,819 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. ("*Goods*") by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has filed a reply dated February 7, 2013 wherein our Company has requested to please take on record the reply dated October 1, 2012 filed by our Company in relation to the same issue for the period 2007-08 to December 2011. There is no further communication in this regard.
- iii. Our Company has received a show cause cum demand notice ("*Notice*") dated October 29, 2013 from Assistant Commissioner of Central Excise and Service Tax, Ratnagiri for wrongly availing of CENVAT credit for the period from October 2012 to January 2013. It has been alleged in the Notice that our Company has wrongly availed total CENVAT credit of ₹472,413 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. ("*Goods*") by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has filed a reply dated April 10, 2014 wherein our Company has stated that the steel plate, bar, etc. has been purchased by our Company has been used for fabrication and manufacturing for the plant in machinery situated at our plant.
- iv. Our Company has received a show cause cum demand notice ("*Notice*") dated February 24, 2014 from Assistant Commissioner of Central Excise and Service Tax, Ratnagiri for wrongly availing of CENVAT credit for the period from February 2013 to March 2013. It has been alleged in the Notice that our Company has wrongly availed total CENVAT credit of ₹441,864 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. ("*Goods*") by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has filed a reply



dated April 10, 2014 wherein our Company has stated that the steel plate, bar, etc. which has been purchased by our Company has been used for fabrication and manufacturing for the plant in machinery situated at our plant.

- v. Our Company has received a show cause cum demand notice (*"Notice"*) dated March 21, 2014 from Assistant Commissioner of Central Excise and Service Tax, Ratnagiri for wrongly availing of CENVAT credit for the period from April 2013 to September 2013. It has been alleged in the Notice that our Company has wrongly availed total CENVAT credit of ₹270,903 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. (*"Goods"*) by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has filed a reply dated April 10, 2014 wherein our Company has stated that the steel plate, bar, etc. which has been purchased by our Company has been used for fabrication and manufacturing for the plant in machinery situated at our plant.
- vi. Our Company has received a show cause cum demand notice (*"Notice"*) dated March 31, 2014 from Assistant Commissioner of Central Excise and Service Tax, Ratnagiri for wrongly availing of CENVAT credit for the period from October 2013 to December 2013. It has been alleged in the Notice that our Company has wrongly availed total CENVAT credit of ₹210,130 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. (*"Goods"*) by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has filed a reply dated April 10, 2014 wherein our Company has stated that the steel plate, bar, etc. which has been purchased by our Company has been used for fabrication and manufacturing for the plant in machinery situated at our plant.
- vii. Our Company has received a show cause cum demand notice (*"Notice"*) dated January 14, 2015 from Assistant Commissioner of Central Excise and Service Tax, Ratnagiri for wrongly availing of CENVAT credit for the period from January 2014 to July 2014. It has been alleged in the Notice that our Company has wrongly availed total CENVAT credit of ₹310,024 on use of goods like beams, angles, channels, MS plates, TOR steel, fabricated items of steel etc. (*"Goods"*) by stating that the same are used in the manufacture of capital goods whereas the Goods were used in civil structures, steel structures and supports and hence not qualify for CENVAT credit. Our Company has not yet replied to the Notice.

**V. Details of the past penalties imposed on our Company / Directors**

As on the date of this Prospectus, no penalties have been imposed on our Company or any of our Directors.

**VI. Amounts owed to small scale undertakings or any other creditors**

As on date of this Prospectus our Company does not owe a sum exceeding ₹100,000 which has been outstanding for a period of more than 30 days to any Small Scale Undertakings or any other creditors.

**VII. Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws**

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

**VIII. Disciplinary action taken by SEBI or stock exchanges against our Company**

There is no disciplinary action taken by SEBI or stock exchanges against our Company.





## IX. Material developments

1. Our Company has sent a notice dated April 6, 2015 and June 17, 2015 to Suryakant Laxman Dalavi, proprietor of S.L. Trading Corporation (“*Noticee*”) demanding the recovery of an amount of ₹ 775,820 alongwith interest at the rate of 24% p.a. within 30 days from the date of receipt of this Notice, failing which legal proceeding shall be initiated by the Company. The Noticee had made part payment of the said amount *vide* cheque no. 827359 for an amount of 557,050 dated July 11, 2015 but the same was dishonoured. Thereafter, our Company sent another notice dated August 3, 2015 regarding dishonour of the said cheque and initiating criminal proceedings under section 138 of the Negotiable Instruments Act, 1881. There has been no further communication in the matter.

Except as stated above no material developments have taken place after March 31, 2014, the date of the last balance sheet that would materially adversely affect the performance or prospects of our Company otherwise than as disclosed under the chapter titled “*Management's Discussion and Analysis Of Financial Condition And Results Of Operations*” beginning on page number 172 of this Prospectus and section titled “*Financial Information*” beginning on page number 152 of this Prospectus.

In accordance with SEBI requirements, our Company and BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission of the Stock Exchanges.

**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 this 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 116.*

**A. Incorporation documents:**

<b>Sr. No.</b>	<b>Authorisation granted</b>	<b>Issuing Authority</b>	<b>Registration No./Reference No./License No.</b>	<b>Applicable Act/Regulation</b>	<b>Date of Issue</b>	<b>Valid upto</b>
1.	Certificate of Incorporation in the name of 'Shree Pushkar Petro Products Limited'	Registrar of Companies, Maharashtra at Mumbai	11-71376 of 1993	Companies Act, 1956	March 29, 1993	Not Applicable
2.	Fresh certificate of incorporation consequent upon change of name to 'Shree Pushkar Chemicals & Fertilisers Limited'	Registrar of Companies, Maharashtra at Mumbai	U24100MH1993P LC071376	Companies Act, 1956	March 5, 2012	Not Applicable
3.	Certificate for Commencement of Business	Registrar of Companies, Maharashtra at Mumbai	11-71376	Companies Act, 1956	August 3, 1993	Not Applicable

**B. Issue Related Authorisations:**

1. The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62 (1)(c) of the Companies Act, 2013 passed at their EGM dated held on September 24, 2014.
2. The IPO Committee of our Board of Directors has, pursuant to a resolution passed at its meeting held on September 26, 2014 approved the Draft Red Herring Prospectus to be filed with the SEBI and Stock Exchanges.
3. Our Company has received 'in-principle' approvals from NSE and BSE for the listing of the Equity Shares pursuant to the letters dated November 21, 2014 and December 9, 2014, respectively.

*C. Corporate/ General Authorisations:*

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AAACS9372E	-	Valid until cancellation
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	MUMS47888B	May 9, 2012	Valid until cancellation
3.	Certificate of Registration under Section 16 of the Maharashtra Value Added Tax Act, 2002 (TIN)	Sales Tax Department, Maharashtra	27680333448 V	April 1, 2006	Valid until cancellation
4.	Certificate of Registration under Rule 5(1) of the Central Sales Tax (Registration & Turnover) Rules, 1957 and Section 7(1) and (2) of the Central Sales Tax Act, 1956 (TIN Central)	Sales Tax Department, Maharashtra	27680333448 C	April 1, 2006	Valid until cancellation
5.	Certificate of Importer-Exporter Code (IEC)	Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	0393042065	April 1, 1993	Valid until cancellation

*D. Business Related Certifications:*

Our Company has received the following significant government and other approvals pertaining to our business:

*(i) Approvals for our Registered Office*

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/ Rule/Regulation	Date of Issue	Valid upto
1.	Registration Certificate of Establishment	Inspector under the Bombay Shops and Establishments Act, 1948	KE KE018126/ Commercial II	Bombay Shops and Establishments Act, 1948	July 15, 2006	December 31, 2017
2.	ISO 14001:2004 Certificate	AS Certifications Private Limited	E 005	-	July 20, 2013	July 19, 2016
3.	ISO 9001:2008 Certificate	AS Certifications Private Limited	R 13	-	July 20, 2013	July 19, 2016
4.	Service tax registration	Assistant Commissioner	AAACS9372EST002	Section 69 of the Finance Act, 1994	April 25, 2013	Valid until cancellation



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Rule/Regulation	Date of Issue	Valid upto
	certificate	of Central Excise, Ratnagiri Division		and Service Tax Rules, 1994		

(ii) Approvals for our manufacturing unit located at plot number B-102/103, MIDC Lote Parshuram, Taluka – Khed, District – Ratnagiri, Maharashtra- 415722.

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Rule/Regulation	Date of Issue	Valid upto
1.	Central Excise Registration Certificate for manufacturing of excisable goods.	The Assistant Commissioner of Central Excise, Ratnagiri Division	AAACS9372EXM001	Rule 9 of the Central Excise Rules, 2002	May 24, 2012	Valid until cancellation
2.	Certificate of Registration for collecting service tax on transport of goods by road/goods transport agency service	Superintendent (Service Tax), Central Excise, Ratnagiri Division	RTN/134/205-06	Section 69 of the Finance Act, 1994	December 2, 2005	Valid until cancellation
3.	Service tax registration certificate	Assistant Commissioner of Central Excise, Ratnagiri Division	AAACS9372EST002	Section 69 of the Finance Act, 1994 and Service Tax Rules, 1994	April 25, 2013	Valid until cancellation
4.	Excise Control Code (ECC)	Superintendent, Central Excise Range, Lote-I	6005010338	-	April 16, 2003	Valid until cancellation
5.	Factory License	Assistant Director, Industrial Health and Safety, Kolhapur	097240	Factories Act, 1948	December 31, 2009	December 31, 2015
6.	Consent to operate	Assistant Secretary (Tech), Maharashtra Pollution Control Board	1.0/AST/RO-KP/EIC NO. KP-16402-14/R/CC-6758	Section 26 of the Water (Prevention & Control of Pollution) Act, 1974, Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 5 of the Hazardous Wastes (M, H & TM) Rules, 2008	June 11, 2015	November 30, 2017
7.	Acknowledgement of Industrial	Secretariat for Industrial Assistance,	3455/SIA/IMO/2006	The Industries Development	December 24, 2013	Not Applicable



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Rule/Regulation	Date of Issue	Valid upto
	Entrepreneurial Memorandum filed for the manufacture of Gamma Acid, K. Acid, Vinyl Sulphone Ester, R. Salt, 3B – Acid, Acetanilide, Sulpho Vinyl Sulphone, H Acid, Sulphuric Acid, Chloro Suphonic Acid, Meta Ureido Aniline.	Ministry of Commerce & Industry		and Regulation Act, 1951 as amended		
8.	Certificate of Registration as a Small Scale Industry for manufacture of Gamma Acid, Matanilic Acid, K. Acid, F. Acid, G. Salt, Vinyl Suphone, Hydrochloric Acid, Acetic Acid, 1-Amino B. Napthol and 3-6 Disulphonic Acid.	Office of the General Manager, District Industries Centre, Ratnagiri	112002681	-	April 19, 1999	Permanent Registration until de-registered.
9.	Certificate for the use of boiler	Directorate of Steam Boiler Department	MR/15002	Indian Boilers Act, 1923	February 11, 2015	February 4, 2016
10.	Certificate for the use of the an economiser	Directorate of Steam Boilers	MR/E-877	Indian Boilers Act, 1923	February 24, 2014	February 20, 2016
11.	Certificate of registration of generating set	Chief Engineer (Electricals), Public Works Department	E/RT/70(i)	Rule 4 (i) of the Bombay Electricity Duty Rules, 1962	March 27, 2010	-
12.	Permission for sale of SSP plant with the installed capacity of 100,000 MTPA through M/s. Shriram Fertilizers and Chemicals under Nutrient Based Subsidy Policy when subsidy is paid to marketer	Department of Fertiliser, Ministry of Chemicals and Fertilisers	M-17011/1/2014-MPR	Nutrient Based Subsidy Policy	April 21, 2014	Till further orders and is subject to revision after issue of revised marketing guidelines for SSP.
13.	Certificate of source for carrying on the business of	Shriram Fertilisers and Chemicals	0111/03/W	Fertilisers (Control) Order, 1985	October 14, 2003	October 10, 2016



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/Rule/Regulation	Date of Issue	Valid upto
	selling fertilisers in wholesale/retail/for industrial use					
14.	Licence to store compressed gas in pressure vessel or vessels	Chief Controller of Explosives	S/HO/MH/03/1329 (S994)	The Static and Mobile Pressure Vessels. (Unfired) Rules 1981 and Indian Explosives Act, 1884.	July 13, 2011	March 31, 2017
15.	Sanction of electricity for fresh 11 KV HT Power supply	Maharashtra State Electricity Distribution Company Limited	SE/RC/Tech/AE-IV/HTC-NEW/6355	Order no. SAC 1093/CR/1063 1/NRG-3 issued by the Government of Maharashtra and The Electricity Act, 2003	October 17, 2013	-
16.	Approval of plans for extension of existing factory building and machinery layout	Joint Director, Industrial Safety and Health, Kolhapur	PLN/JT.DISH/RT N-50-2010/VNM/RSC/1138/2011	Factories Act, 1948 and Maharashtra Factory Rules, 1963	February 18, 2011	-
17.	ISO 14001:2004 Certificate	Certifications Private Limited	E 005	-	July 20, 2013	July 19, 2016
18.	ISO 9001:2008 Certificate	Certifications Private Limited	R 13	-	July 20, 2013	July 19, 2016
19.	Certificate for the use of Boiler (HZ MULTUTUBULAR SHELL)	Joint Director of Steam Boiler Department	MR/ 14441	Indian Boilers Act, 1923	December 5, 2014	December 4, 2015
20.	Verification Certificate	Legal Metrology Organisation, Chiplun II Division	063837	Weight Measurement (Verification) Sub Rule, 1985 and Weight Measurement (Verification) Rule, 1987 and Improvement Rule, 2000	March 10, 2015	March 11, 2016
21.	Form VI – of Registration License cum for Contract Labour	Registering and Licensing Authority, Ratnagiri	ACL/RTN/CLA-177/10	Contract Labour (Regulation & Abolition) Act, 1970	February 11, 2015	December 31, 2015



**(iii) Approvals for our manufacturing unit located at plot number D-25, MIDC Road, Lote Parshuram, Taluka- Khed, District- Ratnagiri, Maharashtra.**

Sr. No.	Authorisation granted	Issuing Authority	Registration Reference No./ No.	No./ License	Applicable Act / Regulation	Date of Issue	Valid upto
1.	Central Excise Registration Certificate under rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods.	The Assistant Commissioner of Central Excise, Ratnagiri	AAACS9372EEM003		Rule 9 of the Central Excise Rules, 2002	August 14, 2012	Valid until cancellation
2.	Acknowledgement of Industrial Entrepreneurial Memorandum filed for the manufacture of Single Super Phosphate, zinc sulphate, manganium sulphate, NPK mix fertiliser and soil conditioner.	Sec Secretariat for Industrial Assistance, Ministry of Commerce & Industry	1558/SIA/IMO/2010		The Industries Development and Regulation Act, 1951 as amended	December 24, 2013	Not Applicable
3.	Consent to operate	Maharashtra Pollution Control Board	BO/JD-PAMS/RO-KP/EIC No. 11294-12/R/CC-01632	KP-	Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization / Renewal of Authorization under Rule 5 of the Hazardous Waste (Management and Handling) Rules, 1989	February 26, 2013	August 31, 2015
4.	Factory License	Assistant Director, Industrial Health and Safety, Kolhapur	153093		The Factories Act, 1948	December 31, 2012	December 31, 2017
5.	Service registration certificate	Assistant Commissioner of Central Excise, Ratnagiri	AAACS9372EST002		Section 69 of the Finance Act, 1994 and Service Tax Rules, 1994	April 25, 2013	Valid until cancellation





Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	No./ License	Applicable Act / Regulation	Date of Issue	Valid upto
6.	Consent to establish	Division Maharashtra Pollution Control Board	BO/RO-Kolhapur/AST/EIC-KP-5094-10/E/CC-155		Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization / Renewal of Authorization under Rule 5 of the Hazardous Waste (Management and Handling) Rules, 2008	August 3, 2011	-
7.	Certificate registration of generating set	Chief Engineer, Public Works Department	E/RT/78(i)		Rule 4(i) of the Bombay Electricity Duty Rules, 1962	July 2012	5, Not Applicable
8.	Letter of authorisation to carry on business of SSP (P&G)	Commissioner of Agriculture, Maharashtra State, Pune	LCFD10010222		The Fertiliser (Control) Order, 1985	September 2, 2014	September 1, 2017
9.	Sanction of electricity for 11 KV fresh HT power supply	Maharashtra State Electricity Distribution Company Limited	SE/RC/Tech/AE-IV/HTC-New/3849		The Electricity Act, 2003	August 6, 2011	-
10.	Quality Certificate ISO 14001:2004	AS Certifications Private Limited	E 005		-	July 2013	20, July 2016
11.	Quality Certificate ISO 9001:2008	AS Certifications Private Limited	R 13		-	July 2013	20, July 2016



- (iv) **Approvals for our Vapi Office located at number 328, 3<sup>rd</sup> floor, Varun Co-operative Housing Society (Govinda Complex) opposite Panchratna Building, Char Rasta, Vapi, Taluka- Pardi, District- Valsad, Gujarat.**

Sr. No.	Authorisation granted	Issuing Authority	Registration Reference License No.	No./ No.	Applicable Act / Regulation	Date of Issue	Valid upto
1.	Registration under Gujarat Value Added Tax, 2003 (VAT)	Commissioner of Commercial Tax	24250703556		Gujarat Value Added Tax, 2003 and Value Added Rules, 2006	April 16, 2014	Valid until cancellation
2.	Certificate of Registration under Central Sales Tax (TIN Central)	Commissioner of Commercial Tax	24750703556		Rule 5(1) of the Central Sales Tax (Registration & Turnover) Rules, 1957 and Section 7(1) and (2) of the Central Sales Tax Act, 1956	April 16, 2014	Valid until cancellation
3.	Central Excise Registration Certificate	The Deputy or Assistant Commissioner of Central Excise, Vapi Division	AAACS9372EEM004		Rule 9 of the Central Excise Rules, 2002	April 17, 2014	Valid until cancellation

Further, our Company has entered into the following agreement:

1. Water Connection Agreement dated September 23, 2009 entered into between M.I.D.C. Chiplun and our Company for MIDC water supply distribution pipe line of 50 m/m in Lote Parshuram Industrial Area for production propose.

**E. Labours / Employees related approvals:**

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/ Regulation	Date of Issue	Valid upto
1.	Allotment of Code number	Employees' Provident Fund Organization	MH/94359	Employees' Provident Funds and Miscellaneous Provisions Act, 1952	July 7, 2006	--
2.	Professional Tax Registration Certificate	Professional Tax Officer, Mumbai	27680333448P	Section 5 of the Maharashtra State Tax on Professions, Trade and Callings and Employments Act, 1975	May 30, 2013	-

**F. Memberships of trade associations:**

Sr. No.	Nature of certificate issued	Organisation issuing the certificate	Certificate number	Date of issue	Valid upto
1.	Registration-cum-Membership	Basic Chemicals, Pharmaceuticals	CHEM/SSM/S-31/2014-15/12384	May 29, 2014	March 31, 2019



Sr. No.	Nature of certificate issued	Organisation issuing the certificate	Certificate number	Date of issue	Valid upto
	certificate	& Cosmetics Export Promotion Council			

*G. Approvals applied for but not yet received:*

1. Application dated September 10, 2014 made by our Company to the Additional Director General of Foreign Trade, New Marine Lines, Mumbai requesting for an export house certificate.
2. Application dated June 29, 2015 made by our Company to Officer Incharge, MPCB regarding correction of address in the consent to establish for manufacturing of Sulphate of Potash at our unit located at D-18, Lote Parshuram, MIDC, taluka Khed, district Ratnagiri, Maharashtra.
3. Application dated January 22, 2014 for obtaining consent to manufacture Nitrogen Phosphate Calcium at one of the premises of our Company.

*H. Material licenses / approvals for which our Company is yet to apply:*

There are no Material licenses or approvals for which our Company is yet to apply.

*I. For Objects of the Issue:*

Details of the application made / to be made for the statutory/regulatory approval required for the stated Objects of the Issue are as under:-

Sr. No.	Nature of approval applied	Authority to whom it is applied for	Date of application	Current status
1.	Transfer of land plot in MIDC records	MIDC	Order dated February 13, 2015	MIDC has passed an order for transferring the land to the our Company's name
2.	Building plan approval	-	-	Not applied for
3.	Water connection to MIDC	-	-	Not applied for
4.	Power connection to MIDC	MSEDCL, Ratnagiri	March 04, 2015	Still in application stage
5.	EC Clearance  Grant of Terms of Reference for proposed Reactive Dyes Manufacturing Facilities to be located at Plot No. B-97, MIDC Lote Parshuram, Khed, District Ratnagiri – 415 722, Maharashtra	Member Secretary, State Level Expert Appraisal Committee – I, Environment Department, Government of Maharashtra	April 7, 2014, April 08, 2015 and July 27, 2015	Still in application stage
6.	MPCB clearance	-	-	Consent to establish received vide Lt. Dt. June 18, 2015
7.	IEM registration of new products and capacity	Secretariat for Industrial Assistance, Ministry of Commerce & Industry	January 27, 2015	Valid as on date



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The shareholders of our Company have authorised the Fresh Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on September 24, 2014 and authorised the Board to take decisions in relation to the Issue.

We have also obtained all necessary contractual approvals required for the Issue. For further details, please refer to the chapter titled “*Government and Other Approvals*” beginning on page number 195.

The Selling Shareholder have confirmed that they hold the Equity Shares proposed to be offered and sold in the Issue for more than one year prior to the date of filing of the Draft Red Herring Prospectus and that the Selling Shareholder has 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 other than such rights as set out under the equity subscription agreement dated April 27, 2009 and certain other agreements, the details of which are set out in the chapter titled “*History and Certain Corporate Matters*” beginning on page number 124.

Our Company received in-principle approvals from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated November 21, 2014 and December 9, 2014, respectively.

### Prohibition by SEBI, RBI, Governmental authority and various agencies/ other regulatory bodies

Our Company, our associates, our Promoters, our Promoter Group companies, or the companies with which the Directors are associated as directors or promoters and Selling Shareholder have not been prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of our Company, our Directors, our associates, our Promoters or the members of the Promoter Group and Selling Shareholder has been declared willful defaulters by the RBI or any Government authority except Poonam Garg independent director on our board, whose name is appearing on the CIBIL website as a nominee director of Titan Energy Systems Limited which has defaulted in payment to State Bank of India amounting to ₹5,627.35 lacs for the period ending December 31, 2014.

Further, no violations of securities laws have been committed by our Company, our Directors, our associates, our Promoters or the members of the Promoter Group and Selling Shareholder in the past and no proceedings in relation to such violations are currently pending against them.

None of our Directors are associated in any manner with any entity which is engaged in securities market related business and is registered with SEBI for the same.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on NSE or the BSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no proceedings initiated by SEBI, Stock Exchanges or ROC, etc on our Company/Promoters/Directors/Group Companies.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the restated financial statements:

- Our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million, calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;



- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of the issue size is not expected to exceed five times the pre-Issue net worth of our Company; and
- Our Company has not changed its name in the last year.

Our Company's net tangible assets, pre-tax operating profit and net worth, derived from the restated financial statements included in this Prospectus as at, and for the last five years ended Fiscal 2015 are set forth below:

(₹ in million)

Particulars	Fiscal				
	2011	2012	2013	2014	2015
Net tangible assets, as restated	485.40	528.36	576.73	580.54	598.00
Pre-tax operating profit, as restated	71.47	132.51	176.18	226.12	227.97
Net worth, as restated	412.68	478.72	531.66	636.01	881.62

- Net tangible assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves and excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India), investments, current assets, loans and advances (excluding deferred tax assets) less current liabilities and provisions (excluding deferred tax liabilities and current and non-current portions of secured / unsecured loans and the interest accrued thereon on the secured/unsecured loans), net of provision for diminution in value.
- Monetary assets include cash on hand, cheques in hand and balance with banks (including the deposits accounts and interest accrued thereon) and quoted investments.
- 'Pre-tax operating profit', has been calculated as net profit before the aggregate of tax, finance costs and other income.
- Net worth has been defined as the aggregate of share capital, share premium and reserves and surplus (excluding revaluation reserves) as reduced by the aggregate of miscellaneous expenditure and debit balance of profit and loss account, if any.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

#### DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 26, 2014 WHICH READ 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 ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR 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 OUR COMPANY, WE CONFIRM THAT:**
  - a) THE OFFER DOCUMENT FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY 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 ISSUE 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. NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER' 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 PROMOTER 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 PROMOTER 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 ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO OUR COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF OUR COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF OUR 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 ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956\* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND OUR 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\*\***
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 OUR COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF OUR COMPANY; AND
  - B. AN UNDERTAKING FROM OUR COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
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 OUR COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER' 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 KEYNOTE CORPORATE SERVICES LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012. **REFER ANNEXURE**
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. **COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTION REPORTED, IN ACCORDANCE WITH AS-18 IN THE FINANCIAL STATEMENTS AND DISCLOSURES INCLUDING IN THE DRAFT RED HERRING PROSPECTUS.**

\* Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.

\*\* Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.

The filing of this Prospectus does not, however, absolve any person who has authorised the issue of this Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with Book Running Lead Manager, any irregularities or lapses in this Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of this Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.





### **Disclaimer Statement from our Company, Selling Shareholder and the Book Running Lead Manager**

Our Company, our Directors, the Selling Shareholder and the Book Running 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.shreepushkar.com](http://www.shreepushkar.com), would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for statements made in this Prospectus except only for statements in relation to Selling Shareholder about or in relation to itself and the Equity Shares offered by it in the Offer for Sale.

### **Caution**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriter, the Selling Shareholder and our Company and the Issue Agreement between the Book Running Lead Manager and our Company.

Our Company, the Selling Shareholder and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company, the Selling Shareholder and the associates of our Company in the ordinary course of business and have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Neither our Company, the Selling Shareholder, the Book Running Lead Manager or any Syndicate Member are liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

**Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholder, the Underwriter and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**



## ANNEXURE TO THE SEBI DISCLAIMER CLAUSE – POINT NO. 16

## 1. Price information of past issues handled by Keynote Corporate Services Limited

Sr No	Issue Name	Issue Size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day (₹)	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)
1.	Veto Switchgears and Cables Limited (SME Platform – NSE EMERGE)	25.00	50.00	13/12/2012	58.00	50.45	0.9% (NSE )	5851.50 (CNX NIFTY)	50.25* (NSE)	5855.75* (CNX NIFTY)	50.15 (NSE)	5950.85 (NIFTY)	50.50 (NSE)	5951.30 (NIFTY)
2.	MITCON Consultancy & Engineering Services Limited (SME Platform – NSE EMERGE)	25.01	61.00	01/11/2013	60.00	51.10	(16.22%) (NSE)	6307.20 (CNX NIFTY)	43.05 (NSE)	6078.80 (CNX NIFTY)	No Trading	6122.90 (CNX NIFTY)	No Trading	6217.85 (CNX NIFTY) *
3.	Sanco Industries Limited (SME Platform – NSE EMERGE)	4.32	18	12/03/2014	19.00	17.25	(4.17%) (NSE)	6516.90 (CNX NIFTY)	18.00 (NSE)	6493.20 (CNX NIFTY)	No Trading	6704.20 (CNX NIFTY)	No Trading	6796.40 (CNX NIFTY)

\*Being a trading holiday, price data is considered for next trading day.

**2. Summary statement of price information of past issues handled by Keynote Corporate Services Limited**

Financial Year	Total no. of IPOs	Total Funds Raised (₹. Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day		
			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%
2012-13	1	25.00	Nil	Nil	Nil	Nil	Nil	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2013-14	2	29.33	Nil	Nil	2	Nil	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2014-15								Nil						

N.A.- Not Available since not traded on 30<sup>th</sup> calendar day from listing day**Track record of past issues handled by Lead Manager**

For details regarding the track record of the Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the Lead Manager, Keynote Corporate Services Limited at [http://www.keynoteindia.net/track\\_record.html](http://www.keynoteindia.net/track_record.html).



### Disclaimer in Respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under 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, AIFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million and the National Investment Fund, and permitted non-residents including FPIs, 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 our Company this Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each Bidder where required agrees that such Bidder 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 NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as “NSE”). NSE has given vide its letter Ref.: NSE/LIST/4342 dated November 21, 2014 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.



### Disclaimer Clause of BSE

BSE Limited (“the Exchange”) has given vide its letter dated December 9, 2014 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c) takes any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquired any securities of this Company 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 for any other reason whatsoever.

### Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at, Corporation Finance Department, Plot No.C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration with the RoC located at the address mentioned below. Further, a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the RoC.

### Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus in the proportion of the Equity Shares issued by our Company in the Fresh Issue and the Equity Shares offered by the Selling Shareholder in the Offer for Sale. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every Director of our Company who is an officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Bid/Issue Closing Date.

### Impersonation

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

“Any person who—

- d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- e) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or



*f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten 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.

### Consents

We have obtained consents in writing of our Directors, our Company Secretary and Compliance Officer, the Book Running Lead Manager, the lenders to our Company, the legal counsel to the Issue, the Bankers to our Company, the Registrar to the Issue. Further, the Auditors has provided their consent to act as an expert in the form provided by the ICAI under the Institute of Chartered Accountant's Guidance Note on Reports in Company Prospectuses. We will obtain consents in writing of the the Syndicate Member(s), Refund Bank(s) and the Banker(s) to the Issue / Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of this Prospectus with the RoC as required under Section 32 of the Companies Act, 2013.

In accordance with the Companies Act, 1956, Companies Act, 2013 and the SEBI ICDR Regulations, M/s. Jajodia & Company, Chartered Accountants our statutory auditors has agreed to provide its written consents for inclusion of its name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Prospectus in the form and context in which they appear in this Prospectus.

Further, such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

### Expert Opinion

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

Our Company has received written consent from the Statutory Auditors namely, M/s Jajodia & Company, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Prospectus in relation to the report dated May 8, 2015 on the restated financial statements of our Company and the statement of tax benefits dated May 8, 2015, included in this Prospectus and such consent has not been withdrawn up to the time of delivery of this Prospectus.

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹70.00 million. The expenses of the Issue include, among others, underwriting and Issue management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated issue expenses are as under:

Particulars	Amount* (₹ in mn)	As a percentage of total expenses	As a percentage of Issue size
Fees to intermediaries (BRLM, Registrar, Advisors, Bankers to the Issue, Underwriting commission, brokerage and selling commission**	38.10	54.43	5.44
Advertising, travelling and marketing expenses	8.00	11.43	1.14
Printing and distribution expenses	6.85	9.79	0.98
Statutory, Preliminary, Pre-operative and other miscellaneous expenses	17.05	24.36	2.44
<b>Total</b>	<b>70.00</b>	<b>100.00</b>	<b>10.00</b>

\*\* Including commission to the SCSBs for ASBA applications and processing fees of ₹ 10 to SCSBs for processing the Bid cum Application Forms procured by the Syndicate from ASBA Bidders in the Specified Cities and submitted to the SCSBs.



## **Details of Fees Payable**

### **Fees Payable to the Syndicate Member**

The total fees payable to the Syndicate is stated in the syndicate agreement to be entered into between the Company and the members of the Syndicate, copies of which is available for inspection at the Registered Office.

### **Fees Payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager will be as per the Issue Agreement dated September 25, 2014 executed between our Company and Keynote Corporate Services Limited, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated September 19, 2014 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by our Company to the Registrar to the Issue 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 our Company since its inception.

### **Previous Rights and Public Issues during the Last Five Years**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

### **Previous Issues of Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page number 50, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Previous capital issue during the previous three years by our listed group- companies/ associates of our Company**

Our Group Company is not listed on any stock exchange.

### **Commission and Brokerage on Previous Issues**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.





**Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 which made any capital issue during the last three years:**

As on the date of filing this Prospectus the equity shares of our Group Company is listed on any recognized stock exchange.

**Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

**Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

**Option to Subscribe**

Equity Shares being offered through this 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 Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

**Mechanism for Redressal of Investor Grievances**

The memorandum of understanding between the Registrar and our Company 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 Issue may be addressed to the Registrar with a copy to our 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 Bid-cum-Application Form was submitted by the ASBA Bidders.

**Disposal of Investor Grievances by our Company**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on September 24, 2012. For further details, please refer to the chapter titled “*Our Management*” beginning on page number 132.



Our Company has appointed Kishan Bhargav as the Company Secretary and Compliance Officer and he may be contacted at the following address:

202, A Wing, Building No. 3, Rahul Mittal Industrial Estate,  
Sir M.V. Road, Andheri (East), Mumbai – 400 059,  
Maharashtra

**Tel. No.:** +91 22 4270 2525;

**Fax No.:** +91 22 2850 4242;

**Email:** [info@shreepushkar.com](mailto:info@shreepushkar.com);

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

Investors can contact our Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

#### **Changes in Auditors during the last three financial years**

The change in our Auditors during the last three years are as follows:

<b>Name of Auditor</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
M/s. Parihar and Associates	-	June 20, 2012	Resignation
M/s. K C P L & Associates LLP	September 29, 2012	December 11, 2013	Resignation
M/s. Jajodia & Company	March 25, 2014	-	Appointment

#### **Capitalisation of Reserves or Profits**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page number 50, 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 RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to the Issue are subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, SEBI ICDR Regulations, our Memorandum and Articles of Association, the Equity Listing Agreements, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, ASBA Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI and/or any other authorities while granting its approval for the Issue.*

#### Ranking of Equity Shares

The Equity Shares being issued or transferred in the Issue shall be subject to the provisions of the Companies Act, Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 270.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, the Memorandum and Articles of Association, the Listing Agreement to be entered into with the Stock Exchange. The declaration of dividend will be recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. For further details in relation to dividends, please refer to the chapter/section titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on page numbers 151 and 270 respectively.

#### Face Value and Issue Price per Share

The face value of the Equity Shares is ₹10 each and the Issue Price is ₹ 65/- per Equity Share.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Manager and advertised at least five Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) of wide circulation, and one regional (Marathi) daily newspaper, of wide circulation, where the Registered Office of our Company is situated. The Price Band along with certain financial ratios shall be pre-filled in the electronic Bid cum Application Forms shall be made available on the website of the Stock Exchange.

At any given point of time there shall be only one denomination for the Equity Shares.

#### Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;



- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 1956 and Companies Act, 2013, the terms of the Listing Agreement with the Stock Exchanges and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 270.

### **Minimum Application Value, Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated December 11, 2009 among NSDL, our Company and the Registrar to the Issue;
- Agreement dated October 22, 2014 among CDSL, our Company and the Registrar to the Issue;

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be in multiples of one, subject to a minimum Allotment of 200 Equity Shares.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 1000 shareholders. In case the minimum number of prospective allottees is less than 1000, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of the Issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.



Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

### **Minimum Subscription**

In the event our Company does not receive a minimum subscription of 90% of the Fresh Issue, we shall forthwith refund the entire subscription amount received not later than 15 days from the Bid/Issue Closing date or within 12 Working days from the Bid/Issue Closing Date, whichever is earlier. If there is a delay beyond such period, our Company shall pay interest as prescribed in the Companies Act, 2013 read with the applicable rules framed thereunder. Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

The requirement for minimum subscription is not applicable to the Offer for Sale. 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.

### **Arrangement for disposal of odd lot**

There are no arrangements for disposal of odd lots.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter titled '*Capital Structure*' beginning on page number 50, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled '*Main Provisions of the Articles of Association*' beginning on page number 270.



## ISSUE STRUCTURE

Issue of 1,07,69,200 Equity Shares for cash at a price of ₹ 65/- per Equity Share (including share premium of ₹ 55/- per Equity Share) aggregating to ₹ 700 million. The Issue consists of a Fresh Issue of 87,42,611 Equity Shares aggregating up to ₹ 568.27 million and an Offer for Sale of upto 2,026,589 Equity Shares by the Selling Shareholder aggregating up to ₹ 131.73 million, respectively. The Issue will constitute 35.64 % of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares available for allocation<sup>(1)</sup></b>	53,84,600 Equity Shares	Not less than 16,15,380 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 37,69,220 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
<b>Percentage of Issue Size available for Allotment/allocation</b>	Not more than 50% of the Issue size being available for allocation to QIBs. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non- Institutional Bidders.
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate as follows: (a) 2,69,230 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; (b) 51,15,370 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For the method of proportionate Basis of Allotment to Retail Individual Bidders, see “Illustration of Allotment to Retail Individual Bidders” beginning on page number 263 .
<b>Mode of Bidding</b>	ASBA only	ASBA only	ASBA and non-ASBA
<b>Minimum Bid</b>	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of 200 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of 200 Equity Shares thereafter.	200 Equity Shares and in multiples of 200 Equity Shares thereafter.
<b>Maximum Bid</b>	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹200,000.
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
<b>Bid Lot</b>	3,200 Equity Shares and in multiples of 200 Equity Shares thereafter.	3,200 Equity Shares and in multiples of 200 Equity Shares thereafter.	200 Equity Shares and in multiples of 200 Equity Shares thereafter.



Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
<b>Allotment Lot</b>	200 Equity Shares and in multiples of 200 Equity Share thereafter.	200 Equity Shares and in multiples of 200 Equity Share thereafter.	200 Equity Shares and in multiples of 200 Equity Share thereafter.
<b>Trading Lot</b>	One Equity Shares	One Equity Shares	One Equity Shares
<b>Who can apply</b>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of 250 million, pension fund with minimum corpus of 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
<b>Terms of payment <sup>(2)</sup></b>	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.

<sup>(1)</sup> Subject to valid Bids being received at or above the Issue Price. The Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under the SEBI ICDR Regulations, where the Issue will be made through the Book Building Process. Not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion, 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 2,69,230 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

<sup>(2)</sup> In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

Under subscription, if any, in any category except the QIB Portion, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.

### Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, and the Selling Shareholder in consultation with Book Running Lead Manager, reserve the right not to proceed with the Issue at any time after the Bid / Issue Opening Date, but before the Allotment of Equity Shares, without assigning reasons thereof. However, if our





Company and the Selling shareholder withdraws the Issue after the Bid / Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchange shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. If Issue is withdrawn after the Bid / Issue Closing Date and a fresh public offering is intended, a fresh offer document will be filed with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

If our Company and the Selling Shareholder withdraws the Issue and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus with SEBI.

### **Bid/ Issue Programme**

<b>BID / ISSUE OPENED ON</b>	<b>TUESDAY, AUGUST 25, 2015</b>
<b>BID / ISSUE CLOSED ON</b>	<b>THURSDAY, AUGUST 27, 2015</b>

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

<b>Event</b>	<b>Indicative Date</b>
Bid/Issue Closing Date	August 27, 2015
Finalisation of Basis of Allotment with the Designated Stock Exchange	September 04, 2015
Initiation of refunds	September 08, 2015
Credit of the Equity Shares to demat accounts of Allottees	September 08, 2015
Commencement of trading of the Equity Shares on the StockExchanges	September 10, 2015

**The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholder or the BRLM.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholder, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that they shall extend all reasonable co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by the Selling Shareholder in the Issue) at all the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.**

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 Bid/Issue Period (except the Bid/ Issue Closing Date) at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p. m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in the Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is



typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Working Days. Neither our Company, nor the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges within half an hour of such closure.

The final revision, if any, in the Price Band will be determined by our Company in consultation with the BRLM during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three Working Days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bidcum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.



## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, 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 BRLM, Syndicate Member and would also be made available on the websites of the Stock Exchanges and the BRLM before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company, the Selling Shareholder and the BRLM 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 the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.*

*Please note that QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers) as well as for non-ASBA Bidders. Bidders 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 Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.*

*ASBA Bidders may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers. Non-ASBA Bidders are required to submit Bids to the Syndicate, only on a Bid cum Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Bidders are advised not to submit Bid cum Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.*

*All Bidders are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.*

*SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 (“**2011 Circular**”) has made it mandatory for the non retail bidders i.e., QIBs and Non Institutional Bidders to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Member to procure Bid cum Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 (“**2012 Circular**”), has introduced an additional mechanism for prospective Bidders to submit Bid cum Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Member in the Issue. The 2012 Circular envisages enabling this facility to submit the Bid cum Application Forms in more than 1,000 locations which are part of the nationwide broker network of the Stock Exchanges and where there is a presence of the brokers’ terminals, by March 1, 2013. Further, SEBI by its circular (CIR/CFD/DIL/ 4 /2013) dated January 23, 2013 (“**2013 Circular**”), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/ sub-Syndicate/ non-Syndicate Members to accept Bid cum Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centers, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-Syndicate/ non-Syndicate Members can submit such Bid cum Application Forms.*



*Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.*

### **Book Building Procedure**

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Out of the QIB Portion, not more than 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. The allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.

Under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Manager and the Designated Stock Exchange.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

In case of QIBs the Book Running Lead Manager can reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds. In case of Non Institutional Bidders, Retail Individual Bidders, our Company and the Selling Shareholder have a right to reject Bids based on technical grounds only.

Bidders can Bid at any price within the Price Band. The Price Band for the Issue was decided by our Company, in consultation with the Book Running Lead Manager, and the Bid lot for the Issue was decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, and advertised in all editions of a widely circulated English national newspaper, Hindi national newspaper Marathi newspaper, at least five Working Days prior to the Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information was disclosed to the Stock Exchanges for dissemination through, and was pre-filled in the Bid cum Application Forms available on, the Stock Exchanges' websites.

### **Bid cum Application Form**

Please note that there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers) as well as for non-ASBA Bidders. The prescribed colour of the Bid-cum-Application Form for the various categories is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders)*	White
Eligible NRIs, FPIs their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion) or FVCIs, QFIs applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue

*\*Bid cum Application Forms and the abridged Prospectus will also be available on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))*

All non-ASBA Bidders are required to submit their Bids through the Syndicate or the Registered Brokers only. ASBA Bidders are required to submit their Bids through the SCSBs (in physical or electronic form) or with the



Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers, authorising SCSBs to block funds that are available in the ASBA Account specified in the Bid cum Application Form. Non-ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate or a Registered Broker for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate or the Registered Brokers will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. The Bidder should preserve this acknowledgment slip and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Kindly note that the Syndicate/ Sub Syndicate or the Registered Broker at the Specified Locations or the Brokers Centers, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

**ASBA Bidders bidding through a member of the Syndicate or a Registered Broker should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations or to a Registered Broker in a Broker Center. ASBA Bidders should also ensure that Bid cum Application Forms submitted to the member of the Syndicate in the Specified Locations or a Registered Broker at a Broker Center will 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 members of the Syndicate or the Registered Broker 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>). ASBA 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.**

**It is not obligatory for the Registered Broker to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Broker to comply with the obligations set out in 2012 Circular, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard.**

Upon completion and submission of the Bid cum Application Form to a Syndicate or the Registered Broker or the SCSB, the Bidder is deemed to have authorised our Company and Selling Shareholder to make the necessary changes in the Red Herring Prospectus as would be required for filing this Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

To supplement the foregoing, the mode and manner of Bidding through the Bid cum Application Form is illustrated in the following chart:

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	In case of ASBA Bidders <ul style="list-style-type: none"> <li>(i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Broker Centres; or</li> <li>(ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA Account is maintained.</li> </ul>



Category of bidder	Mode of Bidding	To whom the application form has to be submitted
		In case of non-ASBA Bidder:  Using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres.
Non Institutional Bidders and QIBs	ASBA ( <i>Kindly note that ASBA is mandatory and no other mode of Bidding is permitted</i> )	(i) If using physical Bid cum Application Form, to the Syndicate / Sub Syndicate at the Specified Locations, to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Broker Centres; or  (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA Account is maintained.

### Who can Bid?

The following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- 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;
- Qualified Foreign Investors 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 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.

#### **Participation by associates/ affiliates of Book Running Lead Manager and Syndicate Member**

The Book Running Lead Manager and the Syndicate Member shall not be allowed to subscribe to this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Member may subscribe to the Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Manager and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Bids by Mutual Funds**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

#### **Bids by eligible NRIs**

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE Account or FCNR Account, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE Account or FCNR Account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO Accounts.

NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as the NRO Account /Non-Resident (Special) Rupee account / Non-Resident Non-Repatriable Term Deposit Account. NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour).

#### **Bids by FPIs (including FIIs)**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies. In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per





the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations. Further, a QFI can continue to buy, sell or otherwise deal in securities until January 6, 2015 or until the QFI obtains a certificate of registration as FPI, whichever is earlier. Such QFIs shall be eligible to participate in this Issue in accordance with Schedule 8 of the FEMA Regulations and are required to Bid under the Non-Institutional Bidders category.

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) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. 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.

#### **Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The SEBI VCF Regulations and SEBI FVCI Regulations, *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

**All Non-Resident Bidders including Eligible NRIs, FPIs 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 / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be**



permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company, the Selling Shareholder or BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid up share capital of the investee company or 30% 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). Further, the RBI Master Circular of July 2, 2012 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application-Cum-Bidding Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *Equity shares of a company:* The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer
2. *The entire group of the investee company:* the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
3. *The industry sector in which the investee company operates:* 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

#### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund 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 Bid cum Application Form. Failing this, our Company and the Selling Shareholder, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Bid cum Application Form.
- (c) With respect to Bids 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 Bid cum Application Form.
- (d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

Our Company and the Selling Shareholder in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the Selling Shareholder and the BRLM may deem fit.

**Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the BRLM and the Syndicate Member are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**Maximum and Minimum Bid Size**

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 200 Equity Shares and in multiples of 200 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹200,000. Where the Bid Amount is above ₹ 200,000, non-QIB Bidders, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA



process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is above ₹200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process. Retail Individual Bidders can revise their Bid during the Bid/Issue period and withdraw their Bids until finalisation of Basis of Allotment.

Retail Individual Bidders bidding at the Cut-Off Price shall ensure payment at the Cap Price at the time of making the Bid. Retail Individual Bidders, who are not bidding at Cut-Off Price, should ensure that the Bid price per Equity Share (within the Price Band) shall be mentioned in the Bid cum Application Form.

- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹200,000 and in multiples of 200 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **QIB Bidders and Non-Institutional Bidders cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or Bid Amount) at any stage. QIBs and Non Institutional Bidders are mandatorily required to submit their Bids through the ASBA process and pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs Bidding in the Issue under the QIB Portion shall not be made public during the Issue Period.

In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to (i) Bid at 'Cut-off Price' (ii) withdraw the Bids at any stage, and (iii) revise the Bids to lower the size of the Bids (both in terms of number of Equity Shares Bid for and Payment Amount) at any stage.

The maximum and minimum Bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

**Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.**

- (a) Our Company and the Book Running Lead Manager shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in an English, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation. This advertisement shall be in the prescribed format.
- (b) Our Company has filed the Red Herring Prospectus with the RoC at least three Working Days before the Bid/Issue Opening Date.
- (c) Our Company, in consultation with the Book Running Lead Manager, will determine the Price Band and minimum Bid Lot and the same shall be advertised in an English, a Hindi national daily newspaper and a daily newspaper, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.
- (d) The Bid/Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bid/Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be published in an English, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.
- (e) QIBs and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process.



- (f) Eligible Bidders who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager or Syndicate Member, their authorised agent(s) or the Non Syndicate Registered Brokers to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs, the Syndicate (only in the Specified Cities) or the Non Syndicate Registered Brokers to register their Bids.
- (g) Eligible Bidders who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager or Syndicate Member, their authorised agent(s) or the Non Syndicate Registered Brokers to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs, the Syndicate (only in the Specified Cities) or the Non Syndicate Registered Brokers to register their Bids.
- (h) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than in respect of ASBA Bids) should bear the stamp of the member of the Syndicate or the Non Syndicate Registered Brokers; or otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or a member of the Syndicate in the Specified Cities or the Non Syndicate Registered Brokers, if not, the same are liable to be rejected. Bid cum Application Forms submitted by Bidders whose beneficiary account is inactive shall be rejected.
- (i) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by Bidders resident in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, the first Bidder, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be “suspended for credit” by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.
- (j) In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.
- (k) No separate receipts will be issued for the money payable on the submission of Bid cum Application Form or Revision Form by ASBA Bidders. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will, after the Bid has been uploaded, acknowledge the uploading of the Bid cum Application Forms or Revision Forms by stamping the date and time and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.
- (l) Pursuant to SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 all investors can submit their application form through nationwide broker network of Stock Exchanges. The details of locations including name of the broker, contact details such as name of the contact person, postal address, telephone number, e-mail address of the broker, etc. where the application forms shall be collected will be disclosed by the Stock Exchanges on their websites.
- (m) Application forms can be downloaded from the Stock Exchanges websites/broker terminals, so that any eligible investor or stock broker can download/print the forms directly.
- (n) Eligible investors may submit the Bid cum Application Form, indicating the mode of payment to the Non Syndicate Registered Brokers.
- (o) The Non Syndicate Registered Brokers shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the Bid cum Application Form to SCSB, etc. and liable for any failure in this regard.



- (p) All Registered Brokers of NSE and BSE (list available at [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm) and [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3)) which are part of the nationwide broker network of the Stock Exchanges are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

**The Bidders should note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID, Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and our Company, the Selling Shareholder and members of the Syndicate shall not be liable for losses, if any.**

**Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation on account of such rejection.**

#### **Additional information specific to ASBA Bidders**

1. The SCSBs and Syndicate, at Syndicate ASBA Centres and at the terminals of the Registered Brokers, will make such copies of Bid-cum-Application Forms available to investors applying under the ASBA process. Additionally, our Company shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Bid-cum-Application Form. The SCSBs shall make such documents available on their websites. The BRLM shall ensure that certain information, including a soft copy of the abridged prospectus, is provided to the Stock Exchanges at least two days prior to the Bid/Issue Opening Date to enable the Stock Exchanges to include such information in the Bid-cum-Application Form before it is made available on their websites.
2. Bid cum Application Forms in physical form will be available with the Designated Branches with the members of the Syndicate at Syndicate ASBA Centres and at the terminals of the Registered Brokers; and electronic Bid cum Application Forms will be available on the websites of the SCSBs, the Non Syndicate Registered Brokers and the Stock Exchanges at least one day prior to the Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites.
3. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.
4. ASBA Bidders should approach the Designated Branches to register their Bids, except for the ASBA Bidders Bidding through Syndicate ASBA process or the Registered Brokers, who should approach the members of the Syndicate in case of Bid by way of Syndicate ASBA process or the Registered Brokers to upload their Bids who shall in turn submit the same to the SCSBs after uploading the Bids and other relevant details of Bid-cum-Application Forms in the bidding platform provided by the Stock Exchanges.
5. The SCSBs shall accept Bids only during the Bid Period and only from the ASBA Bidders. The SCSB shall not accept any Bid cum Application Form after the closing time of acceptance of Bids on the Issue Closing Date.
6. The Bid cum Application Form shall bear the stamp of the Designated Branch, the members of the Syndicate (in case of Bids through Syndicate ASBA) or the Non Syndicate Registered Broker, if not, the same shall be rejected.

#### **Method and Process of Bidding**

- (a) Our Company in consultation with the Book Running Lead Manager, will determine the Price Band and minimum Bid Lot and the same shall be advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at





the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges' websites. The members of the Syndicate, SCSBs and the Non Syndicate Registered Brokers shall accept Bids from the Bidders during the Bid/Issue Period.

- (b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be published in one English national daily newspaper, one Hindi national daily newspaper and one Marathi daily newspaper, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate.
- (c) During the Bid/Issue Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or the Non Syndicate Registered Brokers or their authorised agents to register their Bid. The members of the Syndicate and the Non Syndicate Registered Brokers accepting Bids have the right to vet the Bids during the Bid/Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders Bidding through Syndicate ASBA should submit their Bids to the members of the Syndicate. ASBA Bidders Bidding through the SCSBs are required to submit their Bids to the Designated Branches of such SCSBs. ASBA Bidders Bidding through the Non Syndicate Registered Brokers are required to submit their Bids at the Non Syndicate Broker Centres.
- (d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate, the SCSBs or the Non Syndicate Registered Brokers, as the case may be. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCSB or Non Syndicate Registered Broker will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the approval of the Basis of Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "*Build up of the Book and Revision of Bids*". Please note that, upon submission of the Bid, Non Institutional Bidders and QIBs are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Payment Amount) at any stage.
- (f) The Syndicate, the SCSBs or the Non Syndicate Registered Brokers, as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. All accepted applications made at the Broker Centres shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint.
- (g) Along with the Bid cum Application Form, all non-ASBA Bidders will make payment in the manner described in "*Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*" in the chapter titled "*Issue Procedure*" on page 249.
- (h) With regard to Syndicate ASBA or an ASBA Bid submitted to a Non Syndicate Registered Broker, upon receipt of the Bid cum Application Form by a member of the Syndicate or a Non Syndicate Registered Broker, as the case may be, the concerned member of the Syndicate or Non Syndicate Registered Broker shall issue an acknowledgement by giving the counter foil of the Bid cum Application Form to the ASBA Bidder as proof of having accepted the Bid. Thereafter, the member of the Syndicate or Non Syndicate Registered Broker, as the case may be, shall upload the details of the Bid in the electronic Bidding system of the Stock Exchanges and forward the Bid cum Application Form to the concerned SCSB. The SCSB





shall carry out further action for such Bid cum Application Forms such as signature verification and blocking of funds. The SCSBs shall block the application amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA applications. The SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

- (i) With regard to non-Syndicate ASBA i.e., ASBA Bidders Bidding through the SCSBs, upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- (j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- (l) With regard to ASBA Bidders Bidding through the Non-Syndicate Registered Brokers, post acknowledgment of the accepted applications made at the Broker Centres which shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, the Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid-cum-Application Form to the branch named for ASBA of the respective SCSBs for blocking of funds.
- (m) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal (by Retail Individual Bidders) or failure of the Issue or until rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal (by Retail Individual Bidders) or failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.
- (n) All Registered Brokers of NSE and BSE (list available at [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm) and [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3)) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

#### **Bids at Different Price Levels**

- (a) In accordance with the SEBI Regulations, our Company in consultation with the Book Running Lead Manager, will decide on any revision in the Price Band, without the prior approval of, or intimation, to the Bidders, during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e., the floor price can move up or down to the extent of 20% of the floor price and the Cap Price will be revised at least five Working Days prior to the Bid/Issue Opening and Cap Price will be revised accordingly. The revised Price Band and the Issue Period will be widely disseminated by notification to the Stock Exchanges and the SCSBs and also by indicating the change on the terminals of the members of the Syndicate.
- (b) Our Company in consultation with the Book Running Lead Manager will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- (c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.



- (d) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate.
- (e) In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- (f) In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, such Retail Individual Bidders will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.
- (g) In accordance with the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until finalisation of Basis of Allotment.

#### **Electronic Registration of Bids**

- (a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.
- (b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.
- (c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.
- (d) The Registered Brokers shall upload the Bids and update the electronic schedule (containing application details including the application amount) as downloaded from platform of the Stock Exchange and send it to local branch of the collecting bank.
- (e) None of the Book Running Lead Manager, our Company, the Selling Shareholder or the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Member or the SCSBs, (ii) the Bids uploaded by the SCSBs or the Non Syndicate Registered Brokers; (iii) the Bids accepted but not uploaded by the SCSBs or the Non Syndicate Registered Brokers; or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded by the SCSBs and Non Syndicate Registered Brokers without blocking funds in the ASBA Accounts or (v) with respect to Bids accepted and uploaded by the Non-Syndicate Registered Brokers at the platform of the Stock Exchanges.
- (f) A SCSB shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by such SCSBs, (iii) the Bids accepted but not uploaded by such SCSB and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSB, the full Bid Amount has been blocked in the relevant ASBA Account. A Syndicate member shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to (i) the Bids accepted by such Syndicate member, (ii) the Bids uploaded by such Syndicate member, (iii) Bids accepted but not uploaded by such Syndicate member. With respect to Bids by ASBA Bidders, which are accepted and uploaded by a Syndicate member, the designated branches of the relevant SCSB, which receives the relevant schedule (along with Bid cum Application forms will be responsible for blocking the necessary amounts in the ASBA Accounts. It shall be presumed that for Bids uploaded by the Syndicate for the Syndicate ASBA Bidders, the full Bid Amount has been blocked in the relevant ASBA Account.
- (g) In case of apparent data entry error by either the members of the Syndicate, Non Syndicate Registered Brokers or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).



- (h) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents, the SCSBs and the Non Syndicate Registered Brokers during the Bid/Issue Period. The members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/Issue Closing Date, the Syndicate, the Designated Branches of the SCSBs and the Non Syndicate Registered Brokers shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bid/Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.
- (i) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.
- (j) At the time of registering each non-ASBA Bids, the members of the Syndicate and the Non Syndicate Registered Brokers shall enter the following details of the Bidders in the on-line system:
- Name of the Bidder: Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
  - Bid cum Application Form number;
  - PAN (of the sole/first bidder);
  - Investor Category and sub-category;
  - DP ID and Client ID;
  - Bid Amount;
  - Cheque number or demand draft number;
  - Number of Equity Shares Bid for; and
  - Price per Equity Share.

With respect to ASBA Bids, at the time of registering such Bids, the member of the Syndicate, the Designated Branch or Non Syndicate Registered Brokers, as the case may be, shall enter the following information pertaining to the ASBA Bidders into the online system:

1. Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
2. Bid cum Application Form Number;
3. PAN (of the sole/first bidder);
4. Investor Category and sub-category;
5. DP ID and Client ID;
6. Numbers of Equity Shares Bid for;
7. Price per Equity Share;



8. Bid Amount;
  9. Bank account number of the ASBA Bidder;
  10. Location of Syndicate ASBA Bidding Location; and
  11. Bank code for the SCSB, where the ASBA Account is maintained.
- (k) A system generated TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs or the Non Syndicate Registered Brokers. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs or the Non Syndicate Registered Brokers does not guarantee that the Equity Shares shall be allocated / Allotted either by our Company or the Selling Shareholder.
- (l) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (m) In case of QIBs, Bidding through the Syndicate ASBA, the Book Running Lead Manager and their affiliate members of the Syndicate, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.
- (n) The permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, the 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 the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (o) Only Bids that are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the Non Syndicate Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the Non Syndicate Registered Brokers will be given up to one Working Day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the electronic bidding system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such bids are liable to be rejected.
- (p) The details uploaded in the electronic bidding system shall be considered as final and Allotment will be based on such details.
- (q) The members of the Syndicate located at the Syndicate ASBA Centres and the Non-Syndicate Registered Brokers shall before accepting the Bid-cum-Application Form satisfy themselves that the SCSBs whose name has been filled in the Bid-cum-Application Forms also have the name of the branch of the SCSBs where such Bid-cum-Application Forms are to be submitted.

#### **Build-up of the book and revision of Bids**

- (a) Bids received from various Bidders through the members of the Syndicate, the SCSBs and the Non Syndicate Registered Brokers shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.



- (b) The book gets built up at various price levels. This information will be available with the members of the Syndicate at the end of each day of the Bid/Issue Period.
- (c) During the Bid/Issue Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, except in case of Non Institutional Bidders and QIB Bidders who are not permitted to lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. QIB Bidders and Non- Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form. A Retail Individual Bidder may withdraw or revise his or her Bid at any time prior to the finalisation of Allotment.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form, except in case of Non Institutional Bidders and QIB Bidders who are not permitted to lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Non Syndicate Registered Brokers and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate, the Non Syndicate Registered Broker or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof. QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form.
- (f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to SCSB or to the members of the Syndicate or the Non Syndicate Registered Brokers to whom the original Bid was submitted. The non ASBA Bidders need to submit the revised Bids with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked, as the case may be.
- (h) Our Company in consultation with the Book Running Lead Manager, shall 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.
- (i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of non-ASBA Bids, the members of the Syndicate or the Non Syndicate Registered Brokers, as the case may be, shall collect the payment in the form of cheque or



demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate or the Non Syndicate Registered Brokers, as the case may be, will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar to the Issue will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

- (j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the members of the Syndicate, the SCSB or the Non Syndicate Registered Brokers, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- (k) If an ASBA Bidder, excluding QIBs and Non-Institutional Bidder, wants to withdraw its Bid during the Bidding/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB or to the members of the Syndicate, as the case may be, which shall perform the necessary actions, including deletion of details of the withdrawn Bid-cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account. QIBs and Non-Institutional Bidders cannot withdraw Bids at any time of Bidding/Issue Period.
- (l) If an ASBA Bidder, excluding QIBs and Non-Institutional Bidder, wants to withdraw its Bid after the Bid/Issue Closing Date, such ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.

#### **Price Discovery and Allocation**

- (a) Based on the demand generated at various price levels, our Company in consultation with the Book Running Lead Manager, shall finalise the Issue Price and the number of Equity Shares to be allotted to each category of Bidder.
- (b) In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Issue, the unsubscribed portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
- (c) Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate in case of Bid by way of Syndicate ASBA, the SCSBs and the Non-Syndicate Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Bidding/Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.
- (d) In case no corresponding record is available with the Depositories, which matches any of the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.
- (e) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (f) The Basis of Allotment shall be published on the website of the Registrar to the Issue.





### **Designated Date and Allotment of Equity Shares:**

- (a) Our Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.
- (b) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and transferred and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

### **Issuance of Allotment Advice**

- (a) The Registrar to the Issue shall upload the Basis of Allotment approved by the Designated Stock Exchange on its website. On the basis of the approved Basis of Allotment, our Company shall pass necessary corporate action for Allotment of Equity Shares.
- (b) Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **Unblocking of ASBA Account**

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **General Instructions**

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules and regulations;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid-cum-Application Form/ ASBA Bid-cum-Application Form;
4. Ensure that the details about PAN, Depository Participant and beneficiary account are correct and the beneficiary account is activated as allotment of Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a





bank account, or to a Registered Broker at the Broker Centres.

6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs and the Non-Institutional Investors should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act, 1961. The exemption for the Central or 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;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
18. 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.
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;



21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
26. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
27. ASBA 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 in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for 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>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
28. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
29. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
30. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid price to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate, the SCSBs or the Registered Broker;
4. Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate, Designated Branch of the SCSBs or the Registered Broker only;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s), our Company or the



Registrar to the Issue;

7. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
8. Do not Bid at Cut-Off price (for QIBs and Non-Institutional Bidders);
9. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the GIR number instead of the PAN;
12. Do not submit the Bids without the full Bid Amount;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
15. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;
16. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
19. Do not submit more than five Bid cum Application Forms per ASBA Account;
20. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
21. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for 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>);
22. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.
23. Do not Bid if you are prohibited from doing so under the law of your local jurisdiction.

#### **ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS**

##### **Do's:**

- (a) Check if you are eligible to Bid under ASBA;
- (b) Before submitting the physical Bid cum Application Form with the member of the Syndicate for Bidding through Syndicate ASBA or a Non Syndicate Registered Broker at a Non Syndicate Broker Centre, ensure



that the SCSB, whose name has been filled in the Bid cum Application Form, has named a branch in that centre;

- (c) Ensure that you use the Bid cum Application Form specified for the purposes of ASBA and read all the instructions carefully and complete the Bid cum Application Form;
- (d) For ASBA Bidders Bidding through Syndicate ASBA, ensure that your Bid cum Application Form is submitted to the members of the Syndicate at the Syndicate ASBA Centre or to the Non Syndicate Registered Brokers at the Non Syndicate Broker Centre and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Issue;
- (e) For ASBA Bidders Bidding through the SCSBs, ensure that your Bid cum Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Issue or the members of the Syndicate;
- (f) For ASBA Bids by SCSBs on own account, ensure that a separate ASBA Account in its own name is opened with any other SCSB;
- (g) Ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;
- (h) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
- (i) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the respective Designated Branch;
- (j) Ensure that you have correctly ticked, provided or checked the authorisation box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
- (k) Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, as the case may be, for the submission of the Bid cum Application Form;
- (l) Submit the Revision Form with the same Designated Branch, the concerned member of the Syndicate, or the relevant Non Syndicate Registered Brokers as the case may be, through whom the Bid cum Application Form was placed and obtain a revised acknowledgment;
- (m) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

**Don'ts:**

- (a) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a member of the Syndicate, a Designated Branch or a Non Syndicate Registered Broker, as the case may be;
- (b) Payment of Bid Amount in any mode other than through blocking of Bid Amount in the ASBA Accounts shall not be accepted under the ASBA;
- (c) Do not submit the Bid cum Application Form with a member of the Syndicate or a Non Syndicate Registered Broker, at a location other than the Syndicate ASBA Centres or Non Syndicate Broker Centre, as the case may be;
- (d) Do not send your physical Bid cum Application Form by post. Instead submit the same with a Designated Branch, members of the Syndicate the Non Syndicate Registered Brokers, as the case may be; and
- (e) Do not submit more than five Bid cum Application Forms per ASBA Account.



## INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate, Non Syndicate Registered Brokers and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- (c) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (d) Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of the Bidder's active DP ID, Client ID and PAN provided in the Bid cum Application Form, and as entered into the electronic Bidding system of the Stock Exchanges by the Syndicate, the SCSBs and the Non-Syndicate Registered Brokers, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.
- (e) Information provided by the Bidders will be uploaded in the electronic bidding system by the members of the Syndicate, the SCSBs or the Non Syndicate Registered Brokers, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- (f) For Retail Individual Bidders, the Bid must be for a minimum of 200 Equity Shares and in multiples of 200 thereafter subject to a maximum Bid Amount of ₹200,000. Retail Individual Bidders may Bid at the Cut-off Price.
- (g) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of 200 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through ASBA process only.
- (h) In single name or in case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (i) Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in "*Maximum and Minimum Bid Size*" on page number 231.

Bids through ASBA must be:

- made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).
  - completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the Bid cum Application Form.
- (j) If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Bid cum Application Form.



- (k) For ASBA Bidders, SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. For details regarding mode of Bidding and manner of submission of the Bid cum Application Form, please see the sub-section on “*Issue Procedure – Bid cum Application Form*” on page number 225.

#### **Bidder’s PAN, Depository Account and Bank Account Detail**

Bidders should note that on the basis of PAN of the Bidders, DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as “Demographic Details”). These Demographic Details would be used for giving Allotment Advice to the Bidders, refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and none of the Book Running Lead Manager, the Registrar to the Issue, the Escrow Collection Banks, the SCSBs, the Non Syndicate Registered Brokers, our Company or the Selling Shareholder shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE OF JOINT BIDS, THE BID CUM APPLICATION FORM SHOULD CONTAIN ONLY THE NAME OF THE FIRST BIDDER WHOSE NAME SHOULD ALSO APPEAR AS THE FIRST HOLDER OF THE BENEFICIARY ACCOUNT HELD IN JOINT NAMES. THE SIGNATURE OF ONLY SUCH FIRST BIDDER WOULD BE REQUIRED IN THE BID CUM APPLICATION FORM AND SUCH FIRST BIDDER WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF THE JOINT HOLDERS.**

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate, the SCSBs and the Non Syndicate Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form is liable to be rejected and the Selling Shareholder, our Company and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository are incorrect. In such an event, the address and other details given by the non-ASBA Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder’s sole risk and neither our Company, the Selling Shareholder nor the Escrow Collection Banks, Registrar to the Issue, the Book Running Lead Manager shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.**

**In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Bidder and the DP ID and Client ID, then such Bids are liable to be rejected.**





**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.**

**Refund, dividends and other distributions will be credited to their NRE Accounts registered with the depositories and in case of QFIs, will be payable to a single non interest bearing rupee account opened with AD Category-I bank in India and the same shall be operated by the qualified depository participant of each QFI.**

**There is no reservation for Eligible NRIs, Eligible QFIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids by Non Residents including Eligible NRIs, FIIs registered with SEBI**

Bids and revision to Bids must be made in the following manner:

On the Bid cum Application Form or the Revision Form, as applicable, and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

In a single name or joint names (not more than three and in the same order as their Depository Participant details).

Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs, and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Payment Amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Payment Amount of more than ₹200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. In case of QFIs, the refunds, dividends and other distributions, if any, will be payable to a single non-interest bearing rupee account opened with AD Category-I bank in India and the same shall be operated by the qualified depository participant of each QFI. Our Company or the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

#### **PAYMENT INSTRUCTIONS**

##### **Escrow Mechanism for non-ASBA Bidders**

Our Company, the Selling Shareholder and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (including the amount due to the Selling Shareholder and other than ASBA funds with the SCSBs) 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 shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism for ASBA Bidders**

For ASBA Bids submitted to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres or to the Registered Brokers at the Registered Broker Centres, the Syndicate/ Sub Syndicate or the Registered Broker, as the case may be, shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid-cum-Application Form with the relevant branch of the SCSB at the Syndicate ASBA Centres or the Registered Broker Centres, authorized to accept such Bid-cum-Application Forms relating to ASBA Bids from the Syndicate or the Registered Broker (a list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form.

The ASBA Bidders submitting their Bids directly to SCSBs, shall specify the ASBA account number in the Bid cum Application Form and the relevant SCSB shall block an amount equivalent to the Bid Amount in the ASBA account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal (by Retail Individual Bidders) or rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the funds in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by FIIs, a special Rupee Account should be mentioned in the Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on repatriation basis, a Non-Resident External (NRE) Account or a Foreign Currency Non-Resident (FCNR) Account, maintained with banks authorised to deal in foreign exchange in India, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in separate clearing session. This separate clearing session will operate thrice a week up to April 30, 2014, thereafter twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Issue Closing Date.

#### **Payment into Escrow Account for non-ASBA Bidders**

**Please note that payment into Escrow Account is applicable to Retail Individual Bidders Bidding through Bid cum Application Form.**

Each such Bidder shall draw a cheque or demand draft for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the



Syndicate or the Non Syndicate Registered Brokers. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected. Bid cum Application Forms accompanied by cash/ stockinvest/money orders/postal orders will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - (a) In case of Resident Retail Individual Bidders: “Escrow Account – SPCFL- IPO - R”
  - (b) In case of Non-Resident Retail Individual Bidders: “Escrow Account – SPCFL- IPO - NR”
4. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. The monies deposited in the Escrow Account will be held for the benefit of the non-ASBA Bidders till the Designated Date.
7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.
8. No later than 12 Working Days from the Issue Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for Allotment to such Bidders.
9. Payments should be made by cheque, or a 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 Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
10. Payments made through cheques without the Magnetic Ink Character Recognition (“MICR”) code will be rejected.
11. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

#### **Submission of Bid cum Application Form**

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate or the Non Syndicate Registered Brokers at the time of submission of the Bid. With regard to submission of Bid cum Application Forms, please see the sub-section on “*Issue Procedure - Bid cum Application Form*” on page number 225.



All Registered Brokers of NSE and BSE (list available at [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm) and [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3)) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate and the Non Syndicate Broker Centre of the Non Syndicate Registered Brokers will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. In case of ASBA Bids, an acknowledgement from the Designated Branch, concerned member of the Syndicate or the relevant Non Syndicate Registered Broker, as the case may be, for submission of the Bid cum Application Form may be provided.

## OTHER INSTRUCTIONS

### Joint Bids in the case of Individuals

Bids may be made in single name or as joint Bids. In case of joint Bids, all payments will be made out the Bid cum Application Form should contain only in favour of the name of the first Bidder whose name should also appears first in the Bid cum Application or Revision Forms the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. The First Bidder shall be liable for all the obligations arising in relation to the Issue. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per Depository records and all such bids will be treated as multiple Bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Client ID. In case such Bids bear the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected.

After submitting an ASBA Bid either in physical or electronic mode, where such ASBA Bid has been uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid (either in physical or electronic mode) on another Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or another Designated Branch of the SCSB or to any member of the Syndicate in Specified Cities or to Non Syndicate Registered Brokers, will be treated as multiple Bids and would be rejected before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. Duplicate copies of the Bid cum Application Forms available on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in “*Issue Procedure - Build Up of the Book and Revision of Bids*” above on page number 239. Please note that QIB Bidders and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.

Our Company, in consultation with the Book Running Lead Manager, reserves the right to reject, in their



absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Bids is given below:

1. All Bids will 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 will be treated as multiple Bids and will 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 Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bid cum Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in Sikkim, the Bidders, or in the case of a Bid in joint names, the first Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the circulars issued by SEBI, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, who are exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

#### **Withdrawal of Bids**

**QIBs and Non-Institutional Bidders cannot withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until finalisation of Basis of Allotment.**

ASBA Bidders (other than QIBs and Non-Institutional Bidders) can withdraw their Bids during the Issue Period by submitting a request for the same to the concerned SCSB, the concerned member of the Syndicate or the Non Syndicate Registered Broker, as applicable, who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic Bidding system of the Stock Exchanges. Further the SCSBs shall unblock the funds in the ASBA Account either directly or at the instruction of the member of the Syndicate which had forwarded to it the Bid Cum Application Form.

In case an ASBA Bidder (other than a QIB and a Non-Institutional Bidder) wishes to withdraw the Bid after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid allotment file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

#### **REJECTION OF BIDS**

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, Bidding through Syndicate ASBA or through the Non Syndicate Registered Brokers, the Book Running Lead Manager and their affiliate members of the Syndicate, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds only. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will



be sent to the Bidder's address, where applicable, at the sole/first Bidder's risk. In relation to all ASBA Bidders, SCSBs or the Non Syndicate Registered Brokers shall have no right to reject Bids, except on technical grounds or in the event that if at the time of blocking the Payment Amount in the ASBA Account, the SCSB ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, the SCSBs or the Non Syndicate Registered Brokers, as the case may be, does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of a Bid by way of ASBA by the SCSB, our Company would have a right to reject such Bids by way of ASBA only on technical grounds.

### ***Grounds for Technical Rejections***

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid cum Application/ Application Form;
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However, a limited liability partnership can apply in its own name;
- Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per the Demographic Details provided by the Depositories);
- PAN not mentioned in the Bid cum Application Form/Application Form except for Bids 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;
- GIR number furnished instead of PAN;
- Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids/Applications at a price less than the Floor Price;
- Bids/Applications at a price more than the Cap Price;
- Signature of sole or first Bidder, as the case may be, missing;
- Submission of more than five Bid cum Application Forms/Application Form per ASBA account;
- Bids/ Application by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Bids/Applications at the Cut-off Price by Non-Institutional and QIB Bidders;
- Bids/Applications for a Bid Amount of more than ₹200,000 by Retail Individual Bidders applying through the non-ASBA process;
- Bids/Applications for number of Equity Shares which are not in multiples of 200;
- Category not indicated;
- Multiple Bids as defined in the Red Herring Prospectus;



- In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids/Applications accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Forms/ Application Forms do not have the stamp of the Book Running Lead Manager or Syndicate Member or the SCSB;
- Bid cum Application Forms/Application Forms do not have Bidder's depository account details or the details given are incomplete or incorrect;
- Bid cum Application Forms/Application Forms not being signed by the ASBA account holder, if the account holder is different from the ASBA Bidder;
- Bid cum Application Form/Application Form submitted to the members of the Syndicate does not bear the stamp of the members of the Syndicate. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the members of the Syndicate, as the case may be;
- Bid cum Application Forms/ Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;
- Bid cum Application Forms/ Application Forms submitted under the ASBA process not containing the authorization for blocking the Bid Amount in the bank account specified in the Bid cum Application Form;
- Bid cum Application Forms/ Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form/ Application Forms s;
- In case no corresponding record is available with the Depositories that matches the DP ID, Client ID and PAN;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/ Application Forms at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;
- Bids/ Applications by QIBs and Non Institutional Bidders not submitted through ASBA process;
- Bids/Applications by QIBs and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);
- ASBA Bids submitted to a member of the Syndicate at locations other than the Specified Cities and Bid cum Application Forms, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar to the Issue;
- Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids/Applications not uploaded on the terminals of the Stock Exchanges;





- Bids/Applications by QIB Bidders submitted after 3 pm on the QIB Bid/Issue Closing Date, Bids by Non-Institutional Bidders submitted after 3 pm on the Bid/Issue Closing Date, and Bids by Retail Individual Bidders submitted after 4 pm on the Bid/Issue Closing Date unless extended by the Stock Exchanges, as applicable;
- Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
- Bids/Applications by OCBs.
- With respect to ASBA Bids, the Bid cum Application Form/Application Form not being signed by the account holders, if the account holder is different from the Bidder;
- ASBA Bids by SCSBs on their own account, through an ASBA Account maintained in its own name with itself.

**FOR BID CUM APPLICATION FORMS FROM NON-ASBA BIDDERS, THE BASIS OF ALLOTMENT WILL BE BASED ON THE REGISTRAR'S VALIDATION OF THE ELECTRONIC BID DETAILS WITH THE DEPOSITORY RECORDS, AND THE COMPLETE RECONCILIATION OF THE FINAL CERTIFICATES RECEIVED FROM THE ESCROW COLLECTION BANKS WITH THE ELECTRONIC BID DETAILS IN TERMS OF THE SEBI CIRCULAR CIR/CFD/DIL/3/2010 DATED APRIL 22, 2010. THE REGISTRAR TO THE ISSUE WILL UNDERTAKE TECHNICAL REJECTIONS BASED ON THE ELECTRONIC BID DETAILS AND THE DEPOSITORY DATABASE. IN CASE OF ANY DISCREPANCY BETWEEN THE ELECTRONIC BID DATA AND THE DEPOSITORY RECORDS, THE ISSUER RESERVES THE RIGHT TO PROCEED AS PER THE DEPOSITORY RECORDS OR TREAT SUCH BID AS REJECTED.**

**IN TERMS OF THE SEBI CIRCULAR CIR/CFD/DIL/3/2010 DATED APRIL 22, 2010, FOR BID CUM APPLICATION FORM, THE REGISTRAR TO THE ISSUE WILL RECONCILE THE COMPILED DATA RECEIVED FROM THE STOCK EXCHANGES AND ALL SCSBS, AND IN TERMS OF THE SEBI CIRCULAR CIR/CFD/14/2012 DATED OCTOBER 4, 2012, FOR BID-CUM-APPLICATION FORMS, THE REGISTRAR TO THE ISSUE WILL RECONCILE THE SCHEDULES RECEIVED FROM ALL SCSBS WITH THE STOCK EXCHANGE DATA, AND MATCH THE SAME WITH THE DEPOSITORY DATABASE FOR CORRECTNESS OF DP ID, CLIENT ID AND PAN. IN CASES WHERE ANY DP ID, CLIENT ID AND PAN MENTIONED IN THE BID FILE FOR AN ASBA.**

**BIDDER DOES NOT MATCH THE ONE AVAILABLE IN THE DEPOSITORY DATABASE THE ISSUER RESERVES THE RIGHT TO PROCEED AS PER THE DEPOSITORY RECORDS ON SUCH ASBA BIDS OR TREAT SUCH ASBA BIDS AS REJECTED. THE REGISTRAR TO THE ISSUE WILL REJECT MULTIPLE ASBA BIDS BASED ON COMMON PAN.**

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION IS LIABLE TO BE REJECTED AND THE SELLING SHAREHOLDER, OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.**

**FURTHER, BIDS BY PERSONS PROHIBITED FROM BUYING, SELLING OR DEALING IN THE EQUITY SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.**

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

As per the provisions Section 29 of the Companies Act, 2013 the Allotment of Equity Shares in the Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).





In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated December 11, 2009 among NSDL, our Company and the Registrar to the Issue;
- Agreement dated October 22, 2014 among CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the PAN, DP ID and Client ID) appearing in the Bid cum Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint Bids, the Bid cum Application Form should necessarily contain the names in the same sequence as they appear in the account details in the Depository. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.
- (i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

### Communications

All future communications in connection with Bids made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate, the Designated Branch of the SCSBs or the Non Syndicate Registered Brokers where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

**Bidders can contact the Company Secretary Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs or the Non Syndicate Registered Brokers, the Bidders can contact the relevant Designated Branches of the SCSBs or the Non Syndicate Registered Broker.**

All grievances relating to the ASBA process may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate ASBA Bidding Locations, or (ii) the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder; in both cases with a copy to the Registrar to the Issue.



## **PAYMENT OF REFUND**

Non-ASBA Bidders must note that on the basis of Bidder's DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf to make refunds. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. 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 will be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, or the members of the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Registrar to the Issue shall despatch refund orders for all amounts payable to unsuccessful non-ASBA Bidders and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

*Mode of making refunds for non-ASBA Bidders*

The payment of refund, if any, for non-ASBA Bidders would be done through various modes by any of the following:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.
2. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per the Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company and the Selling Shareholder.
3. RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount exceeds ₹0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Any bank charges levied by the Refund Bank will be borne by our Company. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of the RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

*Mode of making refunds for ASBA Bidders*

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

**DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

With respect to non-ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date. With respect to the ASBA Bidders, our Company shall ensure dispatch of CANs and/or unblocking of funds in the ASBA Account within 12 Working Days from the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.



Our Company and the Selling Shareholder shall ensure that 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 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, 2013 Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company and the Selling Shareholder further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date;
- With respect to non-ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post. With regard to refunds, bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.; and
- Our Company and the Selling Shareholder, in proportion to the number of Equity Shares issued/offered by each of them in the Issue, shall pay interest at 15% p.a. for any delay beyond 15 days or 12 Working Days from the Bid/Issue Closing Date, whichever is later, if Allotment is not made and refund orders are not dispatched or if, in a case 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 investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company and the Selling Shareholder become liable to repay, our Company, every Director of our Company who is an officer in default and the Selling Shareholder (in proportion to the number of Equity Shares offered by each of them in the Issue) shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law. Further, as per the Companies Act, 2013, if the "stated minimum amount" has not been subscribed, the application money has to be returned within such period as may be prescribed. In the event of any failure to refund the application money within the specified period, a penalty of ₹1,000 for each day during which the default continues or ₹100,000, whichever is less. Additionally, section 40(3) of the Companies Act, 2013 requires application money to be refunded in the event of failure to Allot Equity Shares for any reason. The penalty for the failure to comply with the provisions of section 40(3) of the Companies Act, 2013 would amount to not less than ₹500,000, and which may extend to ₹5,000,000 and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or a fine not exceeding ₹300,000 or both.

**Attention of the applicants is also specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:**

*Any person who—*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be punishable with imprisonment for a term which may extend to ten years."*

#### **BASIS OF ALLOTMENT**

No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Category and the remaining available shares, if any will be Allotted on a proportionate basis.



Our Company is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

**A. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 37,69,220 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- In the event, the Bids received from Retail Individual Bidders exceeds 37,69,220 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Investors by the minimum Bid Lot (“**Maximum RII Allottees**”). The allocation/Allotment to Retail Individual Investors will then be made in the following manner:
  - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
  - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.

For details see, “– Illustration Explaining Procedure of Allotment to Retail Individual Bidders” on page number 263.

- Each successful Retail Individual Bidder shall be Allotted a minimum of 200 Equity Shares.

**B. For Non-Institutional Bidders**

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 16,15,380 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 16,15,380 Equity Shares at or above



the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 200 Equity Shares, and in multiples of 200 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**C. For QIBs**

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.
- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
    - (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
    - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
    - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;
  - (b) In the second instance Allotment to all QIBs shall be determined as follows:
    - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
    - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

**Method of Proportionate Basis of Allotment in the Issue**

Subject to valid Bids being received, allocation of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

In the event of the Issue being over-subscribed, our Company, in consultation with the Book Running Lead Manager, shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Manager and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment to QIB Bidders and Non-Institutional Bidders shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.



- b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than 200 Equity Shares per Bidder, the Allotment shall be made as follows:
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
  - Each successful Bidder shall be Allotted a minimum of 200 Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than 200 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

**Illustration Explaining Procedure of Allotment to Retail Individual Bidders** *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Total number of equity shares offered in the issue: 10 million, at an issue price of ₹600 per equity share. The retail portion for the issue consists of 3.5 million equity shares. The issuer fixes the minimum bid lot as 20 equity shares.

- A. A total of 0.1 million retail individual bidders have applied in the issue, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of up to ₹200,000. The retail individual bidders' category is oversubscribed 4 times. From the 0.1 million retail individual bidders, there are five retail individual bidders, namely A, B, C, D and E, who have applied in the issue as follows: A has applied for 320 equity shares, B has applied for 220 equity shares, C has applied for 120 equity shares, D has applied for 60 equity shares and E has applied for 20 equity shares. As per the SEBI Regulations, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis. Accordingly, the actual entitlement of each of A, B, C, D and E shall be as follows:

Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
A	320	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>38 equity shares</b> $[\{3,500,000 - (100,000 * 20)\} / \{14,000,000 - (100,000 * 20)\}] * 300$ (i.e. 320-20)
B	220	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>25 equity shares</b> $[\{35,00,000 - (1,00,000 * 20)\} / \{140,00,000 - (1,00,000 * 20)\}] * 200$ (i.e. 220-20)
C	120	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>13 equity shares</b> $[\{35,00,000 - (1,00,000 * 20)\} / \{(140,00,000 - (1,00,000 * 20))\}] * 100$ (i.e. 120-20)





Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
D	60	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>5 equity shares</b> $[\{(35,00,000 - 1,00,000 * 20)\} / \{(140,00,000 - (1,00,000 * 20))\}] * 40$ (i.e. 60-20)
E	20	<b>20 equity shares</b> (i.e. the minimum bid lot)

- B. A total of 0.2 million retail individual bidders have applied in the issue, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of upto ₹200,000. The retail individual bidders' category is oversubscribed 9.37 times. Since the total number of equity shares offered retail individual bidders is 3,500,000 and the minimum bid lot is 20 equity shares, the maximum number of retail individual bidders who can be allotted this minimum bid lot will be 175,000 (i.e. 3,500,000/20). The remaining 25,000 retail applicants will not get allotment and such bidders will be determined on basis of draw of lots, in the manner provided below:

No. of lots	No. of equity shares at each lot	No. of retail individual bidders applying at each lot	Total No. of equity shares applied for at each lot	No. of retail individual bidders who shall receive minimum bid-lot (to be selected on lottery)
A	B	C	D=(B*C)	E (175,000/200,000)*C
1	20	10,000	200,000	8,750
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
<b>Total</b>		<b>200,000</b>	<b>32,800,000</b>	<b>1,75,000</b>

#### Procedure for Allotment to Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 16,15,380 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 16,15,380 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 200 Equity Shares. For the method of proportionate Basis of Allotment refer below.



### **Procedure for Allotment to QIBs in the QIB Portion**

Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion shall be determined as follows:
  - i. In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB Portion.
  - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;
  - iii. Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;
- (b) In the second instance Allotment to all QIBs shall be determined as follows:
  - i. In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;
  - ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;
  - iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.
- The aggregate Allotment to QIBs Bidding in the Net QIB Portion may be up to 53,84,600 Equity Shares.

### **Letters of Allotment or Refund Orders or instructions to the SCSBs**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit, RTGS and NEFT. Our Company and the Selling Shareholder shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 days from the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar to the Issue, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

### **Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar to the Issue.**

Our Company and the Selling Shareholder agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/Issue Closing Date. The Selling Shareholder shall provide all reasonable cooperation in this regard as requested by our Company and the Book Running Lead Manager, to the extent of the Equity Shares offered by each such Selling Shareholder in the Issue. Our Company and the Selling Shareholder further agree that they shall (in proportion



to the number of Equity Shares offered/issued by each of them in the Issue) pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/Issue Closing Date, whichever is later. If such money is not repaid within eight days from the day our Company and the Selling Shareholder become liable to repay, our Company, every Director of our Company who is an officer in default and the Selling Shareholder (in proportion to the number of Equity Shares offered by each of them in the Issue) shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue. The Selling Shareholder shall provide all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and refund orders to the extent of the Equity Shares offered by the Selling Shareholder in the Issue.

### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company has, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of a widely circulated English national newspaper, Hindi national newspaper and Marathi newspaper.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholder and the Syndicate will enter into an Underwriting Agreement after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, an updated Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

### **Undertakings by our Company**

We undertake as follows:

1. That if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. That if the Selling Shareholder withdraws the Offer for Sale after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of the Issue shall be attended to expeditiously and satisfactorily;
4. That all steps will be taken for the 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 within seven Working Days of finalization of the Basis of Allotment or twelve (12) Working Days from the Bid/Issue Closing Date, whichever is earlier;
5. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
6. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 days of the Bid/Issue Closing Date, as the case may be, giving details of the bank



where refunds shall be credited along with amount and expected date of electronic credit of refund;

7. That our Promoters' contribution in full has already been brought in;
8. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time;
9. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
10. That, adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.
11. Our Company shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

#### **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes that:

1. The Equity Shares being sold by it pursuant to the Offer for Sale have been held by it for a continuous period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in physical form and shall be dematerialised prior to filing of this Red Herring Prospectus with the RoC and SEBI;
2. It is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Offer for Sale.
3. The Equity Shares being sold by it pursuant to the Offer for Sale are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time.
4. It shall provide all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;
5. It shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal 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 shall be made available to the Registrar to the Issue by the Selling Shareholder, to the extent applicable;
7. It shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/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. It shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
9. If our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the BRLM in this regard;



10. It shall not further transfer the Equity Shares during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue;
11. That the Selling Shareholder shall not transfer Equity Shares during the period commencing from submission of the Draft Red Herring Prospectus with Stock Exchange until the final approval on Basis of Allotment has been obtained from the Stock Exchange for the Equity Shares Allotted/ to be Allotted pursuant to the Issue, except to transfer the Equity Shares held by them to demat escrow account atleast seven working days prior to Bid Opening Date or as mutually agreed between our Company, Selling Shareholder and the BRLM;
12. That the Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer for Sale;
13. It shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale; and
14. It shall comply with all applicable laws including Companies Act, 2013, the SEBI ICDR Regulations, FEMA and the applicable circulars, guidelines and regulations issued by SEBI and the RBI, in relation to the Equity Shares offered by it in the Offer for Sale.

#### **Utilization of the Issue proceeds**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
5. the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.



## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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 Circular of 2015, which with effect from May 12, 2015 which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Consolidated FDI Policy Circular of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**Subject to confirmation from RBI: (i) FIIs can participate in this Issue under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations; (ii) FPIs can participate in this Issue under the foreign portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations; (iii) Eligible NRIs can participate in this Issue on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations; and (iv) Eligible QFIs can participate in this Issue in accordance with Schedule 8 of the FEMA Regulations. Non-Residents, other than as mentioned above, are not permitted to participate in this Issue.**

**The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional investors (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

**SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

*Pursuant to Schedule II of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.*

The Authorised capital of our Company is ₹32,00,00,000 divided into 3,20,00,000 Equity Shares of ₹10 each.

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
<b>CAPITAL</b>		
2.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be ₹5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
3.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
4.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
5.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications	<b>Non Voting Shares</b>





Sr. No	Particulars	
	and enforceable guidelines for the time being in force.	
6.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
7.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
8.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
9.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>



Sr. No	Particulars	
10.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Debentures</b>
11.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
12.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
13.	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>
14.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
15.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		



Sr. No	Particulars	
17.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	<b>Modification of rights</b>
	<p>(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.</p>	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
18.	<p>Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.</p>	<b>Shares at the disposal of the Directors.</b>
19.	<p>The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.</p>	<b>Power to issue shares on preferential basis.</b>
20.	<p>The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.</p>	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
21.	<p>An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.</p>	<b>Acceptance of Shares.</b>



Sr. No	Particulars	
22.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
23.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc.to be a debt payable immediately.</b>
24.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
25.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
26.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
27.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
28.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.  (2) A call may be revoked or postponed at the discretion of the Board.	<b>Directors may make calls</b>



Sr. No	Particulars	
	(3) A call may be made payable by instalments.	
29.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
30.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
31.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
32.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
33.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
34.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.	<b>Sums deemed to be calls.</b>
35.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>



Sr. No	Particulars	
36.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
37.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
<b>LIEN</b>		
38.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>
39.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled	<b>As to enforcing lien by sale.</b>



Sr. No	Particulars	
	to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
40.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
41.	If any Member fails to pay the whole or any part of any call or instalment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or instalment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or instalment not paid, notice may be given.</b>
42.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.</p>	<b>Terms of notice.</b>
43.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
44.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
45.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in	<b>Forfeited shares to be property of the Company and may</b>





Sr. No	Particulars	
	such manner as the Board in their absolute discretion shall think fit.	<b>be sold etc.</b>
46.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
47.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
48.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
49.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
50.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
51.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
52.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>



Sr. No	Particulars	
53.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
54.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.  (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
55.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.  The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
56.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>
57.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—  (a) any transfer of shares on which the company has a lien.	<b>Directors may refuse to register transfer.</b>
58.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
59.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or	<b>No fee on transfer.</b>



Sr. No	Particulars	
	Marriage, Power of Attorney or similar other document with the Company.	
60.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made there under close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
61.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
62.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
63.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
64.	<p>(a) 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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
65.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first	<b>Titles of Shares of deceased Member</b>



Sr. No	Particulars	
	obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	
66.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
67.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</b>
68.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
69.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
70.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>



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71.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
72.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>

#### NOMINATION

73.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>
74.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>

#### DEMATERIALISATION OF SHARES



Sr. No	Particulars	
75.	Subject to the provisions of the Act and Rules made there under the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
<b>JOINT HOLDER</b>		
76.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
77.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
<b>BORROWING POWERS</b>		
78.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit  or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
79.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and	<b>Issue of discount etc. or with special privileges.</b>





Sr. No	Particulars	
	conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
80.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
81.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
82.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
83.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
84.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
85.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to	<b>When a Director or any two Members may call an Extra Ordinary</b>





Sr. No	Particulars	
	increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>General Meeting</b>
86.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
87.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
88.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
89.	a) 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. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Chairman with consent may adjourn meeting.</b>
90.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
91.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
92.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
93.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show	<b>Members in arrears</b>



Sr. No	Particulars	
	of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>not to vote.</b>
94.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
95.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
96.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
97.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
98.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
99.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
100.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in	<b>Votes may be given by proxy or by</b>



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	Articles	representative
101.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
102.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
103.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
104.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
105.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
106.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
107.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or	<b>Validity of votes given by proxy</b>



Sr. No	Particulars	
	revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>notwithstanding death of a member.</b>
108.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
109.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
110.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
111.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
112.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement  (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.  (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.  (d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	<b>Nominee Directors.</b>
113.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed	<b>Appointment of alternate Director.</b>



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	and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	
114.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
115.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
116.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
117.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
<b>POWERS OF THE BOARD</b>		
118.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
119.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
(1)	Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
(2)	Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part	<b>To take on Lease.</b>



Sr. No	Particulars	
	of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	
(3)	To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
(4)	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
(7)	To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or	<b>To conduct legal proceedings.</b>





Sr. No	Particulars	
	demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
(14)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
(15)	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
(17)	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
(18)	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set	<b>Transfer to Reserve Funds.</b>





Sr. No	Particulars	
	aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	
(19)	To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>
(20)	At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
(21)	Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in	<b>To enter into contracts.</b>



Sr. No	Particulars	
	the name and on behalf of the Company as they may consider expedient.	
(22)	From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
(23)	To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
(24)	To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
(25)	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
(26)	To redeem preference shares.	<b>To redeem preference shares.</b>
(27)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
(28)	To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
(29)	To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
(30)	To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of	



Sr. No	Particulars
	locality of operation, or of the public and general utility or otherwise.
(31)	To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
(32)	To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
(33)	From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
(34)	To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
(35)	To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
(36)	To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
(37)	Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
(38)	To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

#### MANAGING AND WHOLE-TIME DIRECTORS

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| <b>120. a)</b> Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and | <b>Powers to appoint Managing/ Wholetime Directors.</b> |
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Sr. No	Particulars	
	appoint another or others in his or their place or places.	
	b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	
121.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Wholetime Director.</b>
122.	(1) Subject to control, direction and supervision of the Board of Directors, the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.  (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.  (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.  (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.  (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	<b>Powers and duties of Managing Director or Whole-time Director.</b>
<b>Chief Executive Officer, Manager, Company Secretary or Chief</b>		



Sr. No	Particulars	
<b>Financial Officer</b>		
123.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<p><b>Board to appoint Chief Executive Officer/ Company Secretary/ Chief Financial Officer</b></p>
<b>THE SEAL</b>		
124.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<p><b>The seal, its custody and use.</b></p>
125.	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of 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>	<p><b>Deeds how executed.</b></p>
<b>Dividend and Reserves</b>		
126.	<p>(1) 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>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend</p>	<p><b>Division of profits.</b></p>



Sr. No	Particulars	
	accordingly.	
127.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
128.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	<b>Transfer to reserves</b>
129.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
130.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
131.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
132.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
133.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
134.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>



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135.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
136.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
137.	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. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	<b>Dividends how remitted.</b>
138.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
139.	No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>

#### CAPITALIZATION

140.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	<b>Capitalization.</b>
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Sr. No	Particulars	
141.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
142.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of ₹10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
143.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
<b>WINDING UP</b>		
144.	Subject to the provisions of Chapter XX of the Act and rules made	



Sr. No	Particulars	
	thereunder—  (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.  (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.  (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
<b>INDEMNITY</b>		
145.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
146.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	<b>Not responsible for acts of others</b>
<b>SECRECY</b>		
147.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the	<b>Secrecy</b>



Sr. No	Particulars	
	Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>



## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 202, A Wing, Building No. 3, Rahul Mittal Industrial Estate, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra, India, from date of filing the Offer Document with RoC to Bid / Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts

1. Issue Agreement dated September 25, 2014 amongst our Company and Keynote Corporate Services Limited, the Book Running Lead Manager.
2. Agreement dated September 19, 2014 amongst our Company and Bigshare Services Private Limited, the Registrar to the Issue.
3. Agreement dated December 11, 2009 among NSDL, our Company and the Registrar to the Issue.
4. Agreement dated October 22, 2014 among CDSL, our Company and the Registrar to the Issue.
5. Escrow Agreement dated August 04, 2015 amongst our Company and the Book Running Lead Manager, Syndicate Member, Escrow Collection Bank and the Registrar to the Issue.
6. Syndicate Agreement dated August 04, 2015 amongst our Company and the Book Running Lead Manager and the Syndicate Member.
7. Underwriting Agreement dated August 29, 2015 amongst our Company and the Book Running Lead Manager and the Syndicate Member.

#### Documents for Inspection

1. MOA and AOA of our Company
2. Our certificate of incorporation and certificate for commencement of business
3. Special Resolution of the shareholders passed at the EGM dated September 24, 2014, authorizing the Issue.
4. Resolution passed by the Selling Shareholder dated September 22, 2014, authorizing the Offer for Sale
5. Agreement dated October 1, 2011 between our Company and Punit Makharia for the appointment of Punit Makharia as our Company's Chairman & Managing Director
6. Agreement dated October 1, 2011 between our Company and Gautam Makharia for the appointment of Gautam Makharia as our Company's Joint Managing Director
7. Equity Subscription Agreement dated April 27, 2009 amongst Punit Makharia, Gautam Makharia, IFCI Venture Capital Funds Limited and our Company.
8. Agreement for buy-back of shares dated April 27, 2009 amongst Punit Makharia, Gautam Makharia, IFCI Venture Capital Funds Limited and our Company.
9. Agreement for Pledge of shares dated April 27, 2009 amongst Punit Makharia, IFCI Venture Capital Funds Limited and our Company.



10. Further agreement for Pledge of shares dated July 30, 2010 amongst Punit Makharia, IFCI Venture Capital Funds Limited and our Company.
11. Further agreement for pledge of shares dated January 24, 2013 between Punit Makharia and IFCI Venture Capital Funds Limited.
12. Statement of Tax Benefits dated May 8, 2015 issued by our Statutory Auditor, M/s. Jajodia & Company, Chartered Accountants.
13. Certificate on Sources and Deoyment of Funds dated August 01, 2015 issued by our Statutory Auditor, M/s. Jajodia & Company, Chartered Accountants.
14. Report of the Statutory Auditor, M/s. Jajodia & Company, Chartered Accountants dated May 8, 2015 on the Restated Financial Statements for the FY March 31, 2011, 2012, 2013, 2014 and 2015 of our Company.
15. Copies of annual reports of our Company for the financial years ended March 31, 2011, 2012, 2013 2014 and 2015.
16. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Selling Shareholder, Legal Advisor to the Issue, Bankers to our Company, the Book Running Lead Manager, Registrar to the Issue, Syndicate Member, Bankers to the Issue/Escrow Collection Banks.
17. In-principle listing approval from NSE and BSE vide their letters no. NSE/LIST/4342 and DCS/IPO/NP/IP-743/2014-15 dated November 21, 2014 and December 9, 2014 respectively.
18. Due Diligence Certificate dated September 26, 2014 from the Book Running Lead Manager upon filing the Prospectus.
19. SEBI Observation Letter No. CFD/DIL/ISSUES/AKD/SK/3641/2014 dated February 02, 2015 issued by the Securities and Exchange Board of India and reply to the observation by Keynote Corporate Services Limited (Book Running Lead Manager) vide their letter dated May 27, 2015.

Any of the contracts or documents mentioned in this 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 OF OUR COMPANY**

We hereby certify that all relevant provisions of the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules made thereunder or guidelines or regulations issued, as the case may be. We further certify that all the disclosures and statements in this Offer Document are true and correct.

Signed by all the Directors of Shree Pushkar Chemicals & Fertilisers Limited

Name and designation	Signature
<b>Punit Makharia</b> <i>Chairman &amp; Managing Director</i>	Sd/-
<b>Gautam Makharia</b> <i>Joint Managing Director and Chief Operating Officer</i>	Sd/
<b>Ramakant Nayak</b> <i>Independent Director</i>	Sd/
<b>Nirmal Kedia</b> <i>Independent Director</i>	Sd/
<b>Poonam Garg</b> <i>Non-Executive Director –Nominee of IFCI Venture Capital Funds Limited</i>	Sd/
<b>Dinesh Modi</b> <i>Independent Director</i>	Sd/

Signed by the Chief Financial Officer and the Secretary and Compliance Officer of our Company.

Sd/-  
**Ratan Jha**  
*Chief Financial Officer*

Sd/-  
**Kishan Bhargav**  
*Company Secretary and Compliance Officer*

Place: Mumbai  
Date: August 29, 2015



### **DECLARATION BY THE SELLING SHAREHOLDER**

We, the Selling Shareholder, hereby certify that all statements and undertakings made by us in this Offer Document about or in relation to us and the Equity Shares being offered by us in the Issue are true and correct, provided however, that we assume no responsibility for any of the statements or undertakings made by our Company or any expert or any other person(s) in this Offer Document.

**Signed by the Selling Shareholder**

Sd/-

**For India Enterprise Development Fund**

Place: Mumbai

Date: August 29, 2015