



तराई बीज

**CONTINENTAL SEEDS AND CHEMICALS LIMITED**

(CIN- U01111DL1983PLC015969)

Our Company was originally incorporated at New Delhi as "Terai Beej Private Limited" on 22<sup>nd</sup> June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to "Terai Beej Limited" and fresh certificate of incorporation dated 7<sup>th</sup> May, 1986 was issued by the Asstt. Registrar of Companies, Delhi & Haryana. Subsequently, the name of the Company was changed to "Continental Seeds and Chemicals Limited" vide Fresh Certificate of Incorporation dated 8<sup>th</sup> May, 1986 issued by Addl. Registrar of Companies, Delhi & Haryana. For further details of incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on pages 51 and page 129 respectively of this Prospectus.

**Registered Office:** Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New Delhi 110020. **Tel:** +011-40523652

**Works:** Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401; and  
Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, Uttar Pradesh

**Email:** [info@continentalseeds.co.in](mailto:info@continentalseeds.co.in) **Website:** [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

**Contact Person:** Mr. Abhinav Mishra, Company Secretary & Compliance Officer

**PROMOTER OF OUR COMPANY: MR. PRAVEEN RASTOGI**

**THE ISSUE**

PUBLIC ISSUE OF 16,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF CONTINENTAL SEEDS AND CHEMICALS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 26 PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF RS. 16 PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING RS. 421.20 LACS ("THE ISSUE"), OF WHICH 84,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 26 PER EQUITY SHARE, AGGREGATING RS. 21.84 LACS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 15,36,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH CASH AT A PRICE OF RS. 26 PER EQUITY SHARE, AGGREGATING RS. 399.36 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.9% AND 25.5% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. 26/- I.E. 2.6 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 217 of this Prospectus. A copy will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 217 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. Qualified Institutional Buyers and Non-Institutional Investors shall compulsorily participate in the Issue through ASBA process. A Copy will be delivered for registration to the Registrar as required under Section 26 of the Companies Act, 2013.

**THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.** For further details please refer to Section titled "Issue structure" beginning on Page 214 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for our Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 and the issue price of Rs. 26 per Equity Share is 2.6 times of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on "Basis for Issue Price" beginning on page 91 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the 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 this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 15 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The 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.

**LISTING**

The Equity Shares of our Company offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE") ("NSE EMERGE"). Our Company has received an In Principle approval letter dated 2<sup>nd</sup> February, 2018 from NSE for using its name in this offer document for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

**LEAD MANAGER TO THE ISSUE****REGISTRAR TO THE ISSUE**

Navigant

**NAVIGANT CORPORATE ADVISORS LIMITED**  
423, A Wing, Bonanza, Sahar Plaza Complex,  
J B Nagar, Andheri Kurla Road,  
Andheri East, Mumbai-400 059  
**Tel No.** +91-22-41204837  
**Email Id-** [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)  
**Investor Grievance Email:** [info@navigantcorp.com](mailto:info@navigantcorp.com)  
**Website:** [www.navigantcorp.com](http://www.navigantcorp.com)  
**SEBI Registration Number:** INM000012243  
**Contact Person:** Mr. Sarthak Vijlani



**MAS SERVICES LTD.**  
T-34, 2nd Floor,  
Okhla Industrial Area,  
Phase - II, New Delhi - 110020,  
**Tel No.:** +91-11-26387281/82/83  
**Fax No.:** +91-11-26387384  
**E-mail ID:** [info@masserv.com](mailto:info@masserv.com)  
**Website:** [www.masserv.com](http://www.masserv.com)  
**Contact Person:** Mr. Sharwan Mangla  
**SEBI Registration No:** INR000000049

**ISSUE PROGRAMME**ISSUE OPENS ON: WEDNESDAY, 21<sup>ST</sup> MARCH, 2018ISSUE CLOSES ON: FRIDAY, 23<sup>RD</sup> MARCH, 2018



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



## SECTION I: GENERAL

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time. The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in Statement of Tax Benefits, Financial Information as Restated and Main Provisions of the Articles of Association on pages 94, 149 and 259, respectively, shall have the meaning given to such terms in such sections. In case of any inconsistency between the definitions given below and definitions contained in the General Information Document, the definitions given below shall prevail.

### DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "CSCL", "Continental", "CONTINENTAL" or "the Issuer"	Continental Seeds and Chemicals Limited, a Public Limited Company incorporated under the Companies Act, 1956

### COMPANY RELATED TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Continental Seeds and Chemicals Limited
Banker to the Issue	IndusInd Bank Limited, PNA House, 4th Floor, Plot No. 57 / 57 1, Road No. 17, Near SRL, MIDC, Andheri (East), Mumbai-400 093
Board of Directors / Board/Director(s)	The Board of Directors of Continental Seeds and Chemicals Limited
NSE	National Stock Exchange of India Limited (the Designated Stock Exchange)
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and / or Provisions of the Companies Act, 1956 w.r.t. to the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Continental Seeds and Chemicals Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share.
GIR Number	General Index Registry Number.
Gol/ Government	Government of India.
Statutory Auditor / Auditor	M/s PMAS & Associates LLP, Chartered Accountants, the Statutory Auditors of our Company
Peer Review Auditor(s)	M/s. Ramanand & Associates, Chartered Accountants.
Promoters	Promoters of the Company being Mr. Praveen Rastogi



TERMS	DESCRIPTION
Promoter Group Companies / Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled “Our Promoter Group / Group Companies / Entities” on page 145 of this Prospectus.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page 133 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Continental Seeds and Chemicals Limited
Non-Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	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. <b>OCBs are not allowed to invest in this Issue.</b>
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered office of our Company	Lower Ground Floor, Plot No. 38 Okhla Phase 3 new delhi South Delhi DL 110020
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of NSE/Stock Exchange / EMERGE	The SME platform of NSE for listing of Equity Shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
RoC/ Registrar of Companies	Registrar of Companies, Delhi

#### ISSUE RELATED TERMS

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.

Term	Description
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Collecting Intermediaries	<ul style="list-style-type: none"> <li>(i) an SCSB, with whom the bank account to be blocked, is maintained</li> <li>(ii) a syndicate member (or sub-syndicate member)</li> <li>(iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")</li> <li>(iv) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>(v) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ul>
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make an application authorising an SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Banker(s) to the Issue/	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extent)



Term	Description
	notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <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 the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996

Term	Description
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEM
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum lot, subject to availability in RII category and the remaining shares to be allotted on



Term	Description
	proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchanges/SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Refer to definition of Broker Centers
Underwriters	Lead Manager (s)
Underwriting Agreement	Underwriting Agreement entered between Company and Underwriters
Working Day	Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays

#### CONVENTIONAL AND GENERAL TERMS

Term	Description
A/c	Account
Act/ Companies Act	The Companies Act, 2013, as amended
AGM	Annual General Meeting
AMC	Annual Maintenance Contracts
AS	Accounting Standards Accountants of India issued by the Institute of Chartered
AY	Assessment Year
B2B	Business to Business
BV	Book Value
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CROSS	Client Relation and Order Supply System
EGM	Extraordinary General Meeting
Engg.	Engineering
EPF	Employees Provident Fund
EPS	Earnings per Share
ESI	Employees State Insurance
FAST	Facilitated Application Specification Technique
FDI	Foreign Direct Investment
Financial Year/ Fiscal/ FY	The period of twelve (12) months ended March 31 of that particular year.
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto.
GIR	General Index Registry Number
GOI/Government	Government of India

Term	Description
HR	Human Resource
HTML	Hyper Text Markup Language
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standard
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
I.T. Act	Income Tax Act, 1961 as amended from time to time
LLC	Limited Liability Company
Ltd.	Limited
MD	Managing Director
MIS	Management Information System
Mgmt.	Management
MOA / Memorandum/ Memorandum of Association	Memorandum of Association of our Company
NA	Not Applicable
NAV	Net Asset Value
NBFCs	Non Banking Financial Companies
NOC	No Objection Certificate
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian
NRE Account	Non-Resident External Account
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NRO Account	Non-Resident Ordinary Account
NSC	National Savings Certificate
NSDL	National Securities Depository Limited
Overseas Corporate Body/ OCB	“Overseas Corporate Body” (OCB) means a Company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not allowed to participate in this Issue.
PAN	Permanent Account Number
PAT	Profit After Tax
Person(s)	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires
P/E Ratio	Price Earning Ratio
Post Office RDs	Post Office Recurring Deposits
PPF	Public Provident Fund
Qty.	Quantity
Quarter	A period of three consecutive months
R&D	Research and Development



Term	Description
RBI	Reserve Bank of India
RDBMS	Relational Database Management System
RFID	Radio Frequency Identification
Rs. / `	Indian Rupees, the official currency of the Republic of India
RONW	Return on Net Worth
SAS	Small Savings Agent Software
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
Sq.ft.	Square feet
SQL	Structured Query Language
STT	Securities Transaction Tax
UAE	United Arab Emirates
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
UID	Unique Identification Number
UPS	Uninterruptible Power Supply

#### Industry Related Terms and Abbreviations

Term	Descript
FSMS	Food Safety Management Systems
AAP	Agricultural & Allied Products
AEZ	Agri Export Zone
AGMARK	Symbol of Agricultural Marketing on Graded Products
APC	Agricultural Price Commission
APEDA	Agricultural and Processed Food Products Export Development Authority
ASI	Annual Survey of Industries
BIS	Bureau of Indian Standards
BPL	Below Poverty Line
CACP	Commission of Agriculture Cost and Price
CAP	Centre of Agricultural Marketing
CCB	Central Cooperative Bank
CI	Crop Insurance
CSC	Central Seeds Committee
CSCB	Central Seed Certification Board
CWC	Central Warehousing Corporation
EEC	European Economic Community
FAO	Food and Agricultural Organization
FCI	Food Corporation of India
ASSOCHAM	Associated Chambers of Commerce and Industry
ISO	International Organisation for Standardisation
IMF	International Monetary Fund
CAGR	Capital Adequacy Growth Rate



Term	Descript
CPI	Consumer Price Index
Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
DAC	Department of Agriculture & Cooperation
DAHD&F	Department of Animal Husbandry, Dairying & Fisheries
DARE	Department of Agriculture Research & Education
DIPP	Department of Industrial Policy and Promotion
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
ERC	Expenditure Reforms Com-mission
FCO	Fertilizer Control Order
FDI	Foreign Direct Investment
FMCG	Fast-moving Consumer Goods
FPI	Foreign Portfolio Investment
MSMEs	Micro, Small and Medium Enterprises

#### ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year

ABBREVIATION	FULL FORM
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
BSC	Bachelor in Science
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
SSC	Secondary School Certificate
M. Com.	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	Registrar of Companies, Delhi
RONW	Return on Net Worth
UK	Uttarakhand
UP	Uttar Pradesh
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Prospectus is derived from our restated financial statements for the Nine months period ended December 31, 2017 and for the fiscal ended March 31, 2017, 2016, 2015, 2014 and 2013 and the respective notes, schedules and annexures thereto, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled "Financial Information" on page 149.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the "IFRS") and the Generally Accepted Accounting Principles in the United States of America (the "U.S. GAAP"). Accordingly, the degree to which the 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, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One Hundred Thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.



## INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from Internal Company Reports and Industry Publications and the Information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 2 of this Prospectus.



## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others general economic conditions, political conditions, conditions in the finance & investment sector, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- General economic and business conditions in India and other countries;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and
- Change in political and social condition in India.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page no. 15 of this Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until listing and trading permission by the Stock Exchange.





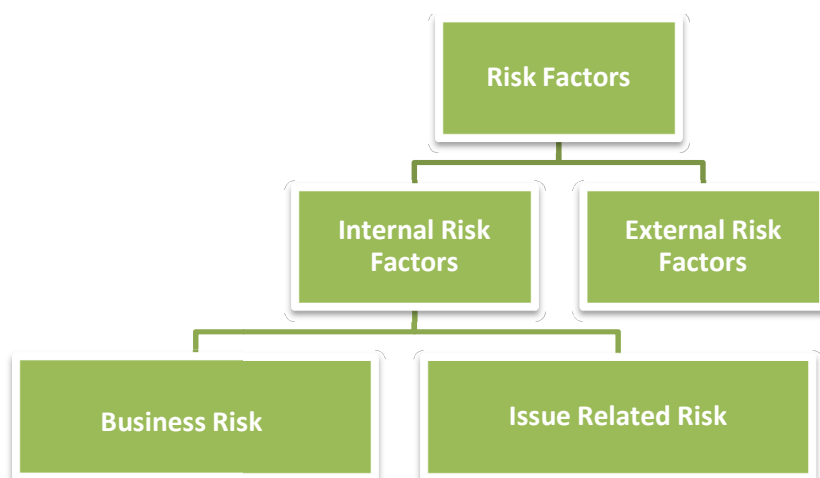
## SECTION II

### RISK FACTORS

*An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.*

*Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Prospectus beginning on pages no. 110, 170 & 149 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.*



#### INTERNAL RISK FACTORS

##### A. Business Risk/Company Specific Risk

###### 1. The Registered Office of our Company are not owned by us.

We operate from our registered office situated at Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New Delhi 110020 and the same has been taken on lease vide agreement dated 10<sup>th</sup> July, 2017 for a period one (1) year that may be renewed with mutual consent. Any discontinuance of agreement to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

For further details please refer to section titled Our Business on page no. 110 of this Prospectus.



2. **Our Logo  is in the process of getting registered. If we fail to obtain trademark registration our brand building efforts may be hampered which might lead to adverse effect on our business.**

We have made an application for registration of our Logo/trademark under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks and in future could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

For further details please refer to section titled Government & Other Approvals on page no. 195 of this Prospectus.

3. **We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.**

The detailed break up of cash flows as restated is summarized in below mentioned table and our Company have reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs.)

Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Cash flow from Operative activities	130.89	78.44	(154.81)	(310.68)	123.69	71.79
Net Cash Flow from investing activities	(6.16)	(80.69)	0.90	0.90	(4.88)	(62.63)
Net Cash Flow from Financing activities	(122.77)	(0.76)	90.84	223.43	-	-
<b>Net Cash Flow for the Year</b>	<b>1.96</b>	<b>(3.01)</b>	<b>(63.07)</b>	<b>(86.35)</b>	<b>118.81</b>	<b>9.16</b>

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

We have entered into transactions with our promoters, Promoter group companies. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we 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 Financial Information Of Our Company on page no 149 of Prospectus.

5. **In the 12 months prior to the date of filing the Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price.**

In the 12 months prior to the date of filing of the Prospectus, the Company had allotted 31,29,775 Equity Shares on 29.06.2017 as bonus shares to its existing shareholders. For more details on the issuance of same, please see "Capital Structure" on page no 59 of this Prospectus.

6. **Our historical revenues have been significantly dependent on few customers. If our customers choose not to source their requirements from us, our business, financial condition and results of**



operations may be adversely affected.

Our top 10 customers have contributed over 98.53% of our revenues for the financial year ended March 31, 2017. Any decline in our quality standards, growing competition and any change in the demand by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

**7. Our Promoter Group entities have incurred losses in the previous financial years.**

Our Promoter Group entity M/s Natural Herbals & Seeds and M/s Praveen Aroma Private Limited as tabled below have incurred losses in the last three financial years. The details of profit/loss are as under:

**M/S NATURAL HERBALS & SEEDS:**

Particulars	Amount Rs. in Lacs.		
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Profit/(Loss) After Tax	6.74	(8.94)	35.25

**M/S PRAVEEN AROMA PRIVATE LIMITED**

Particulars	Amount Rs. in Lacs.		
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Profit/(Loss) After Tax	(34.13)	(10.95)	57.40

**8. Scrutiny of Income Tax is pending against one of our Promoter Group entity M/s Natural Herbals and Seeds.**

There is scrutiny of Income tax for the assessment year 2012-13 & 2013-14 pending against one of our Promoter Group entity, M/s Natural Herbals and Seeds involving an amount of Rs. 4.06 cr and Rs. 2.25 cr on the grounds of applicability of Notification No. 177/2004 of CBDT, through which 80IC exemption was approved. An Appeal had been moved to Commissioner of Income Tax (Appeal) but the same was dismissed, thereafter, case was referred to Income Tax Appellate Tribunal (ITAT) and the same is pending before ITAT. Also, Scrutiny of Income tax for the assessment year 2014-15 is pending before Commissioner of Income Tax (Appeal). Any adverse decision may impact our goodwill and business operations.

**9. Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.**

Our Company processes the seeds and our success depend on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins,



earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. In past, there have been two instances where our facility met with a fire situation. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experience delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

**10. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

**11. The capacity of our current plant unit is not fully utilized. Consecutively, if there is also any under-utilization of our capacities in next three years, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

The capacity of our current plants is not fully utilized. Even though the capacity utilization of our plant has been increasing on a year on year basis upto 45% at present, the capacities of our products has not been fully utilized at our Plant situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401 at which our Company is currently carry on processing of seeds. Further, we propose to fully utilize our production capacities in coming years based on our estimates of market demand and profitability. In the event of nonmaterialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized



thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

- 12. Our Company's Processing unit situated at Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is not functional and it could adversely impact our financial performance.**

Our Company's Processing unit situated at Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is not functional and thus, our Company is not utilizing the capacity of this plant. In the event of non utilization of plant, Our Company may not be able to materialize our estimates and expected order flow for our products thereby may adversely impact our financial performance.

- 13. Our business is not seasonal in nature, but the availability of raw material is seasonal in nature and our processing activities are carried out accordingly.**

The business in which our Company is engaged in not seasonal, however, the availability raw materials are seasonal in nature and therefore, Paddy seeds are processed from February to May and Wheat seeds are processed from August to October but Marketing activities run continue through out the year and our marketing team book the orders, collect advances, payments of supply and supply of goods to customers.

- 14. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in the last five (5) Years.**

Our Company may incur penalties or liabilities for non compliance with certain provisions including lapsed/ made delay in certain filings and/or errorness filing/ Non Filing of eforms under Company Act applicable to it in the past years and non registration of lease agreement executed for property situated at Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New Delhi 110020. Such non compliances/delay Compliances /errorness filing/ Non Filing/Non Registration may incur the penalties or liabilities which may affect the results of operations and financial conditions.

- 15. Our Processing process is largely depends upon electricity provided by our Diesel General Sets, Any disruption in the working of generator sets may adversely affect the manufacturing processes and our performance may be affected adversely.**

The manufacturing processes of our Company require substantial amount of power and fuel. Our manufacturing facilities are largely dependent on the usage of generator sets. Any disruption due to lack of fuel etc. could impair ability to process the raw materials on time and processing of seeds. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

- 16. Our trading operations of Mentha Oil are considerably limited to the state of Bihar and failure to expand our operations may restrict our growth and adversely affect our business.**

Currently, our trading business of Mentha oil is limited to the state of Bihar and hence our revenues from trading of Mentha Oil are generated from supply in Bihar only. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus, we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating regions could impact our future revenues, our operating results and financial conditions.



**17. Our trading activities are exposed to fluctuations in the prices of traded goods.**

Our Company is dependent on third party suppliers for procuring the traded goods. We are exposed to fluctuations in the prices of these traded goods as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers and revenues.

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

Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we are utilizing latest technology by using latest machineries and equipments, we shall continue to strive to keep our technology updated. In case of a new found technology in the Foodgrain sector, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

**19. Use of defective seeds could adversely affect our business and results of operation.**

Quality defects in seeds would directly affect the quality of our products. If defective or contaminated seeds are used, it may lead to a large-scale failure of our processed seeds and thus substantially increasing our potential liability. Further, in order to attain the desired levels, certain precautions like proper application of fertilizers, timely application of pesticides etc. have to be followed.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**21. We face risks and uncertainties associated with the implementation of expansion and new projects which may impact our business, operations and revenue.**

Our business plan includes expansion of our geographical reach and enter the large domestic market for growth opportunities and thereby increase the revenue. We may face risks and uncertainties in relation to expansion and achieving our business plans efficiently, which may include various factors i.e. we may face difficulties in recruiting, training and retaining sufficient skilled faculty members, technical and management personnel and inability to or difficulty in satisfying clients expectations. This may adversely affect our business, results of operation and revenues.



- 22. Our ability to retain the clients is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.**

We believe our strong brand reputation has helped us to attract and retain our customers. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our customers have a dedicated and talented team that comprise of experienced personnel in the field of cattle feed and animal supplements. Our business heavily relies on our reputation as well as the quality and popularity of the product provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and increase the number of our customers at a consistent rate.

We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant upgradation of the methodology and manufacturing technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

- 23. Our Company does not have any long-term contracts with our clients and suppliers, which may adversely affect our results of operations.**

We are, to a major extent, dependent on external suppliers for our goods requirements and we do not have any long-term supply agreements or commitments in relation to the same. There can be no assurance that there will not be a significant disruption in the supply of goods from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Consequently, we are also exposed to price fluctuations in goods, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of goods on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of goods or due to inability to procure the same. Further, unfavourable terms of goods may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

Also, Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for long time. However, we have not entered into any long term contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business.



**24. Delays or defaults in client payments could result in a reduction of our profits.**

We may be subject to working capital shortages due to delays or defaults in payments by clients. If clients default in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

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

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

**26. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.**

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

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

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

**28. Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.**

The demand for our products depends on quality that we market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those





arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**29. Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.**

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products, which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

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

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our immovable properties. The total amounts outstanding and payable by us as secured loans were Rs. 361.87 lacs as on December 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details of secured loans of our Company, please refer the chapter titled *Financial Indebtedness* on page no. 169 of this Prospectus.

**31. Unsecured loans in form of inter corporate deposits taken by our Company from various Companies/Directors can be recalled by the lenders at any time.**

As on December 31, 2017, our Company has unsecured loans amounting to Rs. 29.39 lacs from corporate/Directors that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled *Financial Indebtedness* on page no. 169 of this Prospectus.

**32. Some of our secretarial records are not traceable.**

Some of our secretarial filings including Form 2, Form 5, Form 23 and Form 32 are not traceable. Due to the absence of these records, our management has not been in a position to assess whether our Company has complied with its statutory obligations.

**33. Our Directors, Promoter, Relative to our Promoters have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**



Our Directors, Promoter and relative of our Promoter have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**34. Termination of agreements/arrangements with Customers, could negatively impact our revenues and profitability.**

Our customers typically retain us on a non-exclusive basis. Many of our client contracts can be terminated with or without cause by providing notice and without termination-related penalties. Additionally, most of clients carry no commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our clients that are outside our control that might result in the termination of an assignment or the loss of a client, including a demand for price reductions. Therefore our business may be adversely affected if any of our contracts are terminated by our customers.

**35. While we are currently not subject to extensive Governmental regulation, any regulatory or legal framework introduced in the future may increase our compliance requirements and costs, which may adversely affect our business, results of operations and prospects. However to run our business, we require certain regulatory permits and approval to operate.**

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we have obtained all permits and licenses, which are adequate to run our business. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

**36. Our success depends largely on our senior management and our ability to attract and retain our key personnel.**

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business.

Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain key man's life insurance for our Promoters, senior members of our management team or other key personnel.

**37. 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 industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand



recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

**38. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.**

We have maintained insurance coverage of our assets and accident policies as specified in section titled Insurance Policies on page no. 119 of the Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

**39. Our promoter and promoter group will continue to retain significant control over our Company after the IPO.**

After completion of the Issue, our Promoters and Promoter Group will collectively own 73.01% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**40. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

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

The success of our business depends substantially on our ability to implement our business and growth strategies effectively. Even though we have successfully executed our business strategies in the past,



there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Failure to implement our business and growth strategies would have a material adverse effect on our business and results of operations.

**42. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the section titled “*Objects of the Issue*” is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**43. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page no. 86 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**44. We have not independently verified certain data in this Prospectus.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

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

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

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



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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT"), is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized 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 equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

## EXTERNAL RISK FACTORS

**48. Political, Economic and Social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**49. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have effected significant changes to the existing Indian company law/ listing 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 come into 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 (including provisions in relation to issue of securities on a private placement basis), disclosures in Issuing documents, corporate governance norms, accounting policies and 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 futures trading. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance.



To ensure compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to be notified. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**50. Our business is dependent on economic growth in India.**

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, Several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

**51. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.**

India's physical infrastructure is less developed than that of many developed countries. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy.

**52. Global economic downturn and adverse market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer.**

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets general business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy. The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

**53. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other



commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

**54. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.**

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighbouring countries are particularly threatening because India and certain of its neighbours possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Afghanistan. There has also recently been hostility in the Korean Peninsula.

In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

**55. The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.**

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factors. The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 –avian flu virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The GoI has proposed a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect



the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules ("GAAR") are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, Interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the Gol may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to Issue our products and services at discounted rates. This may affect our business and results of operations.

#### PROMINENT NOTES:

##### 1) SIZE OF THE ISSUE:

Public issue of 16,20,000 Equity Shares of face value of Rs.10.00 each of our Company for cash at a price of Rs. 26 per Equity Share (including a share premium of Rs. 16 per Equity Share) ("Issue Price") aggregating to Rs. 421.20 lacs ("the Issue") of which 84,000 Equity Shares aggregating to Rs. 21.84 lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. issue of 15,36,000 Equity Shares of face value of Rs.10.00 each at an Issue Price of Rs.26 per equity share aggregating to Rs. 399.36 lacs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.99% and 25.59%, respectively of the post issue paid-up equity share capital of our Company.

##### 2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Praveen Rastogi	16,65,475	2.86

*\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page no. 59.*

- 3) Our Net worth as on 31st December, 2017 is Rs. 632.51 Lacs as per Restated Financial Statements.
- 4) The Book - Value per share as on 31st December, 2017 is Rs. 14.44 as per Restated Financial Statements.
- 5) For information on changes in our Company's name, Registered Office and changes in the objects clause of the MOA of our Company, please refer "History and Corporate Structure" on page no. 129 of this Prospectus.





- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the NSE, the Designated Stock Exchange. For more information, please refer to "*Basis of Allotment*" on Page 228 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Investors are advised to refer to the paragraph on "*Basis for Issue Price*" on page no. 91 of this Prospectus before making an investment in this Issue.
- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled "*Capital Structure*" beginning on page no. 59 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled "*Capital Structure*" beginning on page no. 59 of this Prospectus, we have not issued any Equity Shares in the last twelve months.
- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on pages no. 143 and 133 respectively of this Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page no. 59 of this Prospectus.
- 15) There are no certain contingent liabilities as on 31st December, 2017 as per Restated Financial Statements mentioned on page no. 149 of this Prospectus.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page no. 149 of this Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page no. 145, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page no. 143 of this Prospectus.



- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 25 of restated financial statement under the section titled “*Financial Information*” on page 149 of the Prospectus.



## SECTION III: INTRODUCTION

### SUMMARY

*The information in this section is derived from various publicly available sources, government publications and other industry sources. Neither we nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Unless otherwise specified, references to years are to calendar years in this section.*

*This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Prospectus, including the information on “Risk Factors” and related notes on page 15 of this Prospectus before deciding to invest in Equity Shares.*

### INDUSTRY OVERVIEW

#### Global Economic Overview

The pickup in global growth anticipated in the April World Economic Outlook remains on track, with global output projected to grow by 3.5 percent in 2017 and 3.6 percent in 2018. The unchanged global growth projections mask somewhat different contributions at the country level. U.S. growth projections are lower than in April, primarily reflecting the assumption that fiscal policy will be less expansionary going forward than previously anticipated. Growth has been revised up for Japan and especially the euro area, where positive surprises to activity in late 2016 and early 2017 point to solid momentum. China’s growth projections have also been revised up, reflecting a strong first quarter of 2017 and expectations of continued fiscal support. Inflation in advanced economies remains subdued and generally below targets; it has also been declining in several emerging economies, such as Brazil, India, and Russia.

While risks around the global growth forecast appear broadly balanced in the near term, they remain skewed to the downside over the medium term. On the upside, the cyclical rebound could be stronger and more sustained in Europe, where political risk has diminished. On the downside, rich market valuations and very low volatility in an environment of high policy uncertainty raise the likelihood of a market correction, which could dampen growth and confidence. The more supportive policy tilt in China, especially strong credit growth, comes with rising downside risks to medium-term growth. Monetary policy normalization in some advanced economies, notably the United States, could trigger a faster-than-anticipated tightening in global financial conditions. And other risks discussed in the April 2017 WEO, including a turn toward inward-looking policies and geopolitical risks, remain salient.

Projected global growth rates for 2017-18, though higher than the 3.2 percent estimated for 2016, are below pre-crisis averages, especially for most advanced economies and for commodity-exporting emerging and developing economies. Among the former, many face excess capacity as well as headwinds to potential growth from aging populations, weak investment, and slowly advancing productivity. In view of weak core inflation and muted wage pressures, policy settings should remain consistent with lifting inflation expectations in line with targets, closing output gaps, and—where appropriate—external rebalancing. Reforms to boost potential output are of the essence, and slow aggregate output growth makes it even more important that gains are shared widely across the income distribution. Financial stability risks need close monitoring in many emerging economies. Commodity exporters should continue adjusting to lower revenues, while diversifying their sources of growth over time.



## The Global Economy Maintains Momentum

The cyclical recovery continues. Growth outturns in the first quarter of 2017 were higher than the April WEO forecasts in large emerging and developing economies such as Brazil, China, and Mexico, and in several advanced economies including Canada, France, Germany, Italy, and Spain. High-frequency indicators for the second quarter provide signs of continued strengthening of global activity. Specifically, growth in global trade and industrial production remained well above 2015-16 rates despite retreating from the very strong pace registered in late 2016 and early 2017. Purchasing managers' indices (PMIs) signal sustained strength ahead in manufacturing and services.

Commodities and inflation. Oil prices have receded, reflecting strong inventory levels in the United States and a pickup in supply. Headline inflation also generally softened as the impact of the commodity price rebound of the second half of 2016 faded, and remains at levels well below central bank targets in most advanced economies. Core inflation has remained broadly stable. It has largely been stable in emerging economies as well, with a few, such as Brazil and Russia, witnessing strong declines.

Bond and equity markets. Long-term bond yields in advanced economies, which had declined since March, rebounded in late June and early July. The U.S. Federal Reserve raised short-term interest rates in June, but markets still expect a very gradual path of U.S. monetary policy normalization. Bond spreads over Germany have compressed sharply in France, Italy, and Spain on reduced electoral uncertainty and firming signs of recovery. Equity prices in advanced economies remain strong, signaling continued market optimism regarding corporate earnings. Markets are also optimistic about emerging market prospects as reflected in strengthening equity markets and some further compression of interest rate spreads. Oil exporters provide an exception to this pattern, in light of the marked weakening of oil prices since March.

Exchange rates and capital flows. As of end-June, the U.S. dollar has depreciated by around 3½ percent in real effective terms since March, while the euro has strengthened by a similar amount on increased confidence in the euro area recovery and a decline in political risk. Over the same period, exchange rate changes across emerging market currencies have been relatively modest, with some strengthening of the Mexican peso on tighter monetary policy and reduced concerns about U.S. trade frictions, and a depreciation of the Brazilian real on renewed political uncertainty. Capital flows to emerging economies have been resilient in the first few months of 2017, with a notable pickup in non-resident portfolio inflows.

## Global Growth Forecast to Pick up in 2017 and 2018

Global growth for 2016 is now estimated at 3.2 percent, slightly stronger than the April 2017 forecast, primarily reflecting much higher growth in Iran and stronger activity in India following national accounts revisions. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate in 2017, to 2 percent and 4.6 percent respectively, with global growth projected to be 3.5 percent, unchanged from the April forecast. The growth forecast for 2018 is 1.9 percent for advanced economies, 0.1 percentage point below the April 2017 WEO, and 4.8 percent for emerging and developing economies, the same as in the spring. The 2018 global growth forecast is unchanged at 3.6 percent. The revisions reflect primarily the macroeconomic implications of changes in policy assumptions for the world's two largest economies, the United States and China, as discussed below.

### Advanced economies

- The growth forecast in the United States has been revised down from 2.3 percent to 2.1 percent in 2017 and from 2.5 percent to 2.1 percent in 2018. While the markdown in the 2017 forecast reflects in part the weak growth outturn in the first quarter of the year, the major factor behind the growth revision, especially for 2018, is the assumption that fiscal policy will be less expansionary than previously assumed, given the uncertainty about the timing and nature of U.S. fiscal policy changes. Market expectations of fiscal stimulus have also receded.



- The growth forecast has also been revised down for the United Kingdom for 2017 on weaker-than-expected activity in the first quarter.
- By contrast, growth projections for 2017 have been revised up for many euro area countries, including France, Germany, Italy, and Spain, where growth for the first quarter of 2017 was generally above expectations. This, together with positive growth revisions for the last quarter of 2016 and high-frequency indicators for the second quarter of 2017, indicate stronger momentum in domestic demand than previously anticipated.
- The growth forecast for 2017 was also revised up for Canada, where buoyant domestic demand boosted first-quarter growth to 3.7 percent and indicators suggest resilient second-quarter activity, and marginally for Japan, where private consumption, investment, and exports supported first-quarter growth.

### Emerging and developing economies

Emerging and developing economies are projected to see a sustained pickup in activity, with growth rising from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.8 percent in 2018. These forecasts reflect upward revisions, relative to April, of 0.2 percentage point for 2016, and 0.1 percentage point for 2017. As in the most recent WEO forecast vintages, growth is primarily driven by commodity importers, but its pickup reflects to an important extent gradually improving conditions in large commodity exporters that experienced recessions in 2015-16, in many cases caused or exacerbated by declining commodity prices.

- **China's** growth is expected to remain at 6.7 percent in 2017, the same level as in 2016, and to decline only modestly in 2018 to 6.4 percent. The forecast for 2017 was revised up by 0.1 percentage point, reflecting the stronger than expected outturn in the first quarter of the year underpinned by previous policy easing and supply-side reforms (including efforts to reduce excess capacity in the industrial sector). For 2018, the upward revision of 0.2 percentage point mainly reflects an expectation that the authorities will delay the needed fiscal adjustment (especially by maintaining high public investment) to meet their target of doubling 2010 real GDP by 2020. Delay comes at the cost of further large increases in debt, however, so downside risks around this baseline have also increased.
- **Growth in India** is forecast to pick up further in 2017 and 2018, in line with the April 2017 forecast. While activity slowed following the currency exchange initiative, growth for 2016--at 7.1 percent--was higher than anticipated due to strong government spending and data revisions that show stronger momentum in the first part of the year. With a pickup in global trade and strengthening domestic demand, growth in the ASEAN-5 economies is projected to remain robust at around 5 percent, with generally strong first quarter outturns leading to a slight upward revision for 2017 relative to the April WEO.
- **In Emerging and Developing Europe**, growth is projected to pick up in 2017, primarily driven by a higher growth forecast for Turkey, where exports recovered strongly in the last quarter of 2016 and the first quarter of 2017 following four quarters of moderate contraction, and external demand is projected to be stronger with improved prospects for euro area trading partners. The Russian economy is projected to recover gradually in 2017 and 2018, in line with the April forecast.
- After contracting in 2016, economic activity in **Latin America** is projected to recover gradually in 2017-18 as a few countries--including Argentina and Brazil--exit their recessions. In comparison to the April 2017 WEO, Brazil's growth forecast for 2017 is now higher in light of the strong first quarter, but ongoing weakness in domestic demand and an increase in political and policy uncertainty will be reflected in a more subdued pace of recovery, and hence in lower projected growth in 2018. Mexico's growth forecast for 2017 is revised up from 1.7 to 1.9 percent on the back of strong activity in the first



quarter of the year, with an unchanged forecast for 2018. Revisions for the rest of the region are mostly to the downside, including a further deterioration of conditions in Venezuela.

- Growth in the **Middle East, North Africa, Afghanistan, and Pakistan** region is projected to slow considerably in 2017, reflecting primarily a slowdown in activity in oil exporters, before recovering in 2018. The 2017-18 forecast is broadly unchanged relative to the April 2017 WEO, but the growth outcome in 2016 is estimated to have been considerably stronger in light of higher growth in Iran. The recent decline in oil prices, if sustained, could weigh further on the outlook for the region's oil exporters.
- In **Sub-Saharan Africa**, the outlook remains challenging. Growth is projected to rise in 2017 and 2018, but will barely return to positive territory in per capita terms this year for the region as a whole—and would remain negative for about a third of the countries in the region. The slight upward revision to 2017 growth relative to the April 2017 WEO forecast reflects a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to better rainfall and an increase in mining output prompted by a moderate rebound in commodity prices. However, the outlook for South Africa remains difficult, with elevated political uncertainty and weak consumer and business confidence, and the country's growth forecast was consequently marked down for 2018.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2017/07/07/world-economic-outlook-update-july-2017>)

## Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

## Market size

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

The tax collection figures between April 2016 and January 2017 show an increase in Net Indirect taxes by 16.9 per cent and an increase in Net Direct Taxes by 10.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million. Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus.



India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves stood at US\$ 366.781 billion as on March 17, 2017 as compared to US\$ 360 billion by end of March 2016, according to data from the RBI.

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

Growth in FY2017 (ending 31 March 2018) is expected to be lower than forecast in the Asian Development Outlook 2017 as a new tax regime poses transitory challenges to firms and as investment by state governments and private investors remain muted. A pickup is envisaged in FY2018, aided by restructured bank balance sheets and efficiency gains from the new tax regime, but growth will again fall short of the April forecast. Stronger agriculture will ease inflation by more than expected in FY2017 and FY2108. Current account projections are unchanged.

## Economic forecasts for South Asian countries

	GDP growth (%, year)	Inflation (%, year)	Current account balance (% of GDP)
Country		2017 <sup>f</sup>	2018 <sup>f</sup>
Afghanistan		2.5	3.0
Bangladesh		7.2	6.9
Bhutan		6.9	0.0
India		7.0	7.4
Maldives		4.2	4.4
Nepal		6.9	4.7
Pakistan		5.3	5.5
Sri Lanka		4.5	5.0
Average		6.7	7.0

f = forecast number.

(Source: <https://www.adb.org/countries/india/economy>)

## OVERVIEW OF AGRICULTURE INDUSTRY

### Introduction

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is estimated to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices.



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

### Market Size

India's GDP is expected to grow at 7.1 per cent in FY 2016-17, led by growth in private consumption, while agriculture GDP is expected to grow above-trend at 4.1 per cent to Rs 1.11 trillion (US\$ 1,640 billion).\$ It ranks third in farm and agriculture outputs. As per the 2nd Advance Estimates, India's food grain production is expected to be 271.98 MT in 2016-17. Wheat production in India is expected to touch an all-time high of 96.6 MT during 2016-17.! Production of pulses is estimated at 22.14 MT.

India has been the world's largest producer of milk for the last two decades and contributes 19 per cent of the world's total milk production.++

India is emerging as the export hub of instant coffee which has led to exports of coffee reaching 177,805 tonnes valued at US\$ 447 million between April-August 2017, as against 162,641 tonnes valued at US\$ 363.1 million during the same period last year.

India topped the list of shrimp exporters globally, as the value-added shrimp exports rose 130 per cent year-on-year to 23,400 tonnes in 2016.

The production of food grains in India reached a record 275.68 million tonnes (MT) during FY 2016-17, as per the Fourth Advance Estimates (AE) released by the Department of Agriculture, Cooperation and Farmers Welfare, Government of India.

The total sown area for kharif crops was 68.53 million hectares as on July 2017, compared to 67.34 million hectares on July, 2016.

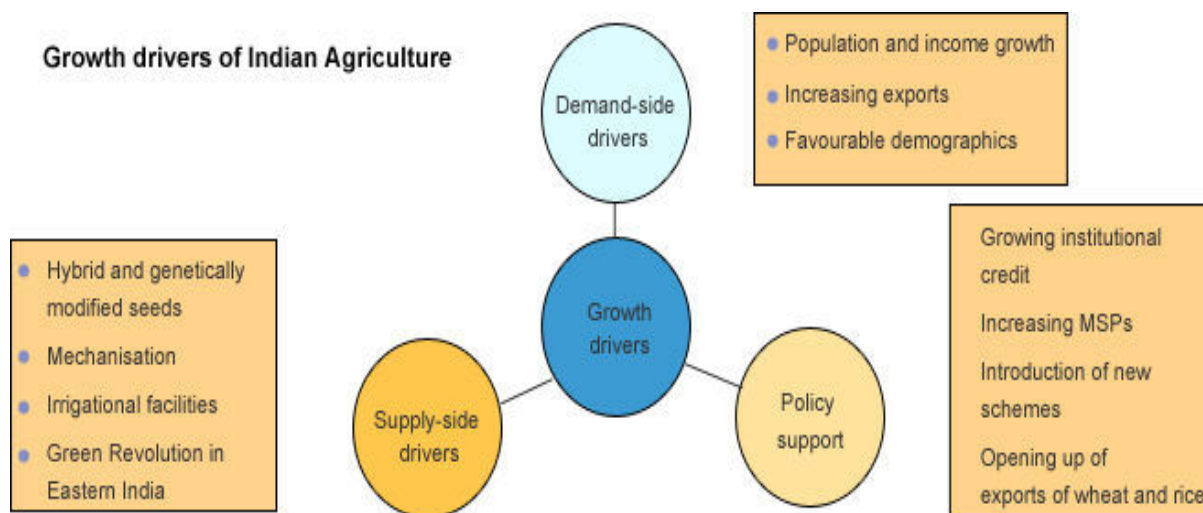
India is the second largest fruit producer in the world. India's horticulture output, is estimated to be 287.3 million tonnes (MT) in 2016-17 after the first advance estimate.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. India's exports of basmati rice may rise to Rs 22,000-22,500 crore (US\$ 3.42-3.49 billion), with volume to around 4.09 MT in 2017-18, backed by a rise in average realisations.# Groundnut exports from India are expected to cross 700,000 tonnes during FY 2016-17 as compared to 537,888 tonnes during FY 2015-16, owing to the expected 70 per cent increase in the crop size due to good monsoons. India's groundnut exports rose to 653,240 MT during April 2016-February 2017.@ India is the largest producer, consumer and exporter of spices and spice products. Spices exports from India grew by 9 per cent in volume and 5 per cent in value year-on-year to 660,975 tonnes and US\$ 1.87 billion respectively, during April-December 2016.^

The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020@@.



## Growth drivers of Indian Agriculture



(Source: [www.ibef.org](http://www.ibef.org))

## Investments

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2.45 billion and the food processing sector has attracted around US\$ 7.81 billion during April 2000 to June 2017.

Some major investments and developments in agriculture are as follows:

- India and Brazil have signed a bilateral investment agreement, aimed at enhancing cooperation in areas of agriculture, cattle genomics, ship building, pharmaceuticals, defence production, ethanol production and oil and gas, between the countries.
- Parle Agro Pvt Ltd is launching Frooti Fizz, a succession of the original Mango Frooti, which will be retailed across 1.2 million outlets in the country as it targets increasing its annual revenue from Rs 2800 crore (US\$ 0.42 billion) to Rs 5000 crore (US\$ 0.75 billion) by 2018.
- Zephyr Peacock, the India-focused private equity fund of US-based Zephyr Management, has invested an undisclosed amount in Bengaluru-based potato seeds firm Utkal Tubers India Pvt Ltd, which will be used to produce high-quality mini-tubers in a tissue culture laboratory and multiply them in its own development farms and through supervised contract farming in different regions of the country.
- US-based food company Cargill Inc, aims to double its branded consumer business in India by 2020, by doubling its retail reach to about 800,000 outlets and increase market share to become national leader in the sunflower oil category which will help the company be among the top three leading brands in India.
- Danone SA plans to focus on nutrition business in India, its fastest growing market in South Asia, by launching 10 new products in 2017, and aiming to double its revenue in India by 2020.

## Road Ahead

India is expected to achieve the ambitious goal of doubling farm income by 2022.\*@ The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in



agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

India's gross value added (GVA) at basic prices increased by 5.7 per cent during the April-June 2017 quarter, driven by agriculture and government spending. GVA from agriculture, forestry and fishing sector grew 2.5 per cent in this quarter.

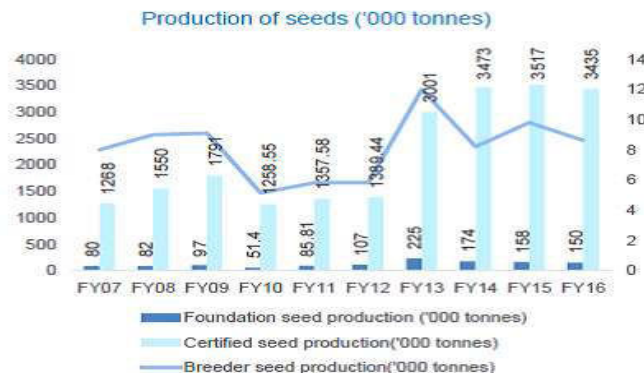
The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16.

(Source: [www.ibef.org](http://www.ibef.org))

## HISTORY OF SEEDS INDUSTRY IN INDIA

### GROWING YIELD AND USE OF QUALITY SEEDS ... (1/2)

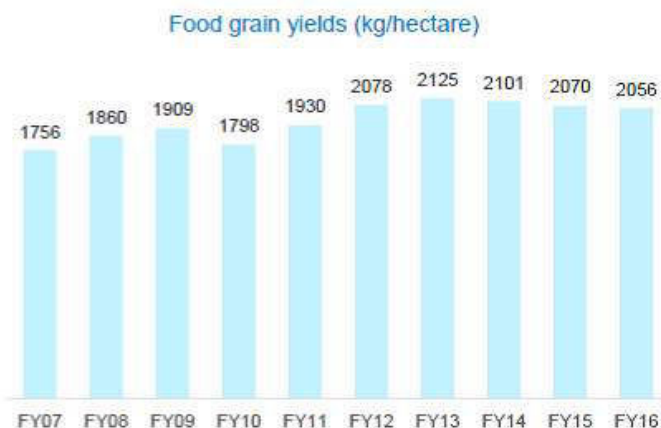
- \* In FY16, production of foundation seeds reached 149,542 tonnes from 74,800 tonnes in FY06.
- \* There has been strong growth in the use of hybrid seeds due to their high yield and resistance.
- \* Usage of hybrid seeds has been more prevalent in cash crops than food crops.
- \* In FY16, production of certified seeds increased to 3.4 million tonnes from 1.4 million tonnes in FY06.



Source: Ministry of Agriculture, TechSci Research

### GROWING YIELD AND USE OF QUALITY SEEDS ... (2/2)

- \* Usage of hybrid seeds has boosted the yield of food grains to 2,056 kg/ hectare in FY16 from 1,756 kg/ hectare in FY07
- \* The government has been playing a proactive role in promoting greater use of hybrid seeds; it encourages private seed companies by providing a subsidy of 25 per cent of the capital cost subject to a maximum of USD50,000 per unit.
- \* The government of India has targeted production of 270.1 million tonnes (MT) of food grains for FY17



Source: A report by Fertilizer Association of India, Ministry of Agriculture, RBI, TechSci Research

(Source: <https://www.ibef.org/download/Agriculture-May-2017.pdf>)



## Seed Industry in India: Market Trends, Structure, Growth, Key Players and Forecast

The agricultural sector is highly dependent on the availability and quality of seeds for a productive harvest. Therefore, in order to increase the quantity and quality of produce, efforts are made to introduce enhanced varieties of seeds with the help of advance technology and modern agricultural methods. In India, agriculture is the dominant occupation, which secures abundant opportunities for seeds market in the region. According to IMARC Group's latest report titled, "Seed Industry in India: Market Trends, Structure, Growth, Key Players and Forecast 2017-2022", the Indian seeds market reached a value of more than US\$ 3 Billion in 2016, exhibiting a CAGR of around 17% during 2009-2016.

The Indian seed market has witnessed a major restructuring as a result of the implementation of some progressive policies by the government. Seed Development, 1988 and National Seed Policy, 2002 have helped in strengthening the Indian seed industry in the areas of R&D, product development, supply chain management and quality assurance. Owing to this, India has emerged as the fifth largest seed market across the globe. Moreover, the active participation of both, public and private sectors has also played a vital role in laying a strong foundation of the industry. This includes launching initiatives to promote the use of hybrid seeds among the farmers who had earlier used outmoded open pollinated varieties. Some other growth-inducing forces, such as growth in income levels, commercialization of agriculture, patent protection systems and intellectual rights over plant varieties, have given a great push to the market. Owing to these factors, the Indian seeds market is further expected to grow at a CAGR of more than 15% during 2017-2022, reaching a value of more than US\$ 7 Billion by 2022.

(Source: [https://www.researchandmarkets.com/research/ffc43l/seed\\_industry\\_in](https://www.researchandmarkets.com/research/ffc43l/seed_industry_in))



## SUMMARY OF BUSINESS

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

*In this section, a reference to the “Company” or “we”, “us” or “our” means Continental Seeds and Chemicals Limited.*

*All financial information included herein is based on our Restated Financial Statements included on page 149 of this Prospectus.*

### Overview

Our Company was originally incorporated at New Delhi as “Terai Beej Private Limited” on 22nd June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Terai Beej Limited” and fresh certificate of incorporation dated 7th May, 1986 was issued by the Asstt. Registrar of Companies, Delhi & Haryana. Subsequently, the name of the Company was changed to “Continental Seeds and Chemicals Limited” vide Fresh Certificate of Incorporation dated 8th May, 1986 issued by Addl. Registrar of Companies, Delhi & Haryana.

In the year 1983, Capt. Vijay Neil Kumar and Mr. Abhey Yograj laid the foundation of our Company as a private limited Company in the name of M/s Terai Beej Private Limited and in December, 2011, Our Present Promoter i.e. Mr. Praveen Rastogi took the control of our Company from erstwhile promoters.

Our Company is engaged in the business of developing, processing, grading and supplying of all kind of agricultural foundation and certified seeds and trading of Mentha Oil. Our Company is engaged in the whole process of processing in varieties of seeds, foundation seed and processing of the same into certified seeds. Seed processing is a vital part of the seed production needed to move the improved genetic materials of the plant breeder into commercial channels for feeding the rapidly expanding world population. The farmer must get the quality seed that is free from all undesired materials because farmer’s entire crop depends on it.

Seed can seldom be planted in the condition in which it comes from the growers. In fact, many seed lots contain weed or crop seed or inert material that make them unfit for sale without processing. Crop seed also frequently have stems, awns, clusters or other structures, which prevent from flowing through the drill freely.

Our Company also obtains seed certification certificate from Uttarakhand State Seed and Organic Production Certification Agency from time to time for our products.

Our Company is having two units at:

- i) Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttrakhand -262401; and
- ii) Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P.

Our Company is registered with Uttrakhand Seeds certification agency and having total production capacity of company is 7080 MT per annum at plant situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttrakhand -262401 at which our Company currently carry processing of seeds. Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is currently not functional.

With dedicated team of researchers, the company is conscious of the changing needs of farmers and consumers to design and develop productive hybrids that excel in market and fetch rewarding returns. The focus centers round combined use of conventional breeding and biotechnology to shift the yield frontier and stabilize it through incorporation of genetic resistance to biotic and abiotic stresses. Encountering the challenges faced by the farmers is the business motto for our research innovation.



In the past three (3) years our revenues have increased from Rs. 5,790.33 Lacs in F.Y. 2014-2015 to Rs. 5,844.31 Lacs in F.Y. 2015-16 and further to Rs. 5,824.94 Lacs in F.Y. 2016-17, showing an increase of 0.93% and (0.33)%. Our Net Profit after tax for the above mentioned periods are Rs. 26.60 Lacs, Rs. 16.16 Lacs and Rs. 48.70 Lacs.

Also, Our total revenue for the three months ended on 31st December, 2017 is Rs. 5764.67 lacs with a profit after tax of Rs. 66.21 Lacs showing a growing trend of our Business operations over the previous years.

**Details of Total Revenue for the last Five (5) years and for the period ended on 31st December, 2017 are us under:**

Financial year	Revenue from operations (Amt in lacs)	Other Income (Amt in lacs)	Total Revenue (Amt in lacs)	Profit before Depreciation, Interest and Tax (Amt in lacs)	Profit after Tax (Amt in lacs)
2012-2013	58.07	38.22	96.29	25.88	15.04
2013-2014	5,463.09	30.26	5,493.35	36.69	21.62
2014-2015	5,781.48	8.85	5,790.33	98.04	26.60
2015-2016	5,837.88	6.43	5,844.31	84.12	16.16
2016-2017	5,818.62	6.32	5,824.94	153.42	48.70
Nine Months (9) ended 31st December, 2017	5756.89	7.78	5,764.67	164.89	66.21



Details of “Revenue from Operations” with PRODUCT WISE Break Up for the last Five (5) years and for the period ended on 31st December, 2017 are us under:

(Amt in lacs)

FY	Seeds/ Grains		Mentha Oil		Total
	Amt.	%	Amt.	%	
2012-2013	58.07	100.00	0.00	0.00	58.07
2013-2014	316.20	5.79	5146.89	94.21	5,463.09
2014-2015	637.45	11.03	5144.03	88.97	5,781.48
2015-2016	1636.66	28.04	4201.21	71.96	5,837.88
2016-2017	400.53	6.88	5418.09	93.12	5,818.62
Nine Months (9) ended 31st December, 2017	3714.96	64.53	2041.94	35.47	5756.90

Details of “Revenue from Operations” with STATEWISE Break Up for the last Five (5) years and for the period ended on 31st December, 2017 are us under:

(Amt. In Lacs)

STATE	31.12.2017		31.03.17		31.03.16		31.03.15		31.03.14		31.03.13	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Uttrakhand	312.77	5.43	400.53	6.88	548.05	9.39	518.26	8.96	275.78	5.05	58.07	100
Uttar Pradesh	-	-	-	-	38.78	0.67	119.19	2.07	40.42	0.74	-	-
Bihar	2041.94	35.47	5418.09	93.12	4201.21	71.96	5144.03	88.97	5146.89	94.21	-	-
Delhi	3402.19	59.10	-	-	1049.84	17.98	-	-	-	-	-	-
<b>Total</b>	<b>5756.90</b>	<b>100</b>	<b>5,818.62</b>	<b>100</b>	<b>5,837.88</b>	<b>100</b>	<b>5,781.48</b>	<b>100</b>	<b>5,463.09</b>	<b>100</b>	<b>58.07</b>	<b>100</b>

#### OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) Experienced Promoters and a well trained employee base** - Our promoters are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Industry knowledge and understanding also gives us the key competitive advantage. enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a management team with several years of experience in their respective domains of sales, marketing, strategy and finance.
- 2) Strategic Location of our manufacturing facilities** -Our Manufacturing Facilities is strategically located near the source of raw materials to ensure cost savings and optimum logistic benefits. Our Manufacturing plant is situated in Uttrakhand where direct contact with the farmers are established.
- 3) Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services and technology development.
- 4) Quality Assurance and Standards:** Our Company believes in the quality in our process and products. We are committed to maintain quality at all steps of the processing chain upto dispatch of finished products. Our dedicated team ensures the compliance with good practices. We give prime focus to providing quality products to our customers and follows high quality standards.



**SUMMARY OF FINANCIAL INFORMATION  
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Equity &amp; Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	438.17	125.19	125.19	125.19	125.19	125.19
Reserve & Surplus	194.34	441.11	392.39	376.23	349.64	328.02
<b>Total (A)</b>	<b>632.51</b>	<b>566.30</b>	<b>517.58</b>	<b>501.42</b>	<b>474.83</b>	<b>453.21</b>
<b>Non Current Liabilities</b>						
Share Application Money	-	-	-	-	-	-
Long Term Borrowings	87.51	124.26	104.29	10.00	-	-
Deferred Tax Liabilities (Net)	-	0.94	-	-	-	-
Other Long Term Liabilities & Provisions	46.45	22.81	21.41	18.51	16.23	7.69
<b>Total (B)</b>	<b>134.06</b>	<b>148.01</b>	<b>125.70</b>	<b>28.51</b>	<b>16.23</b>	<b>7.69</b>
<b>Current Liabilities</b>						
Short Term Borrowings	303.76	339.17	297.41	249.25	-	-
Trade Payables	3.14	1.81	213.00	82.01	1.11	0.60
Other Current Liabilities	103.90	149.67	4.30	2.28	1.81	1.42
Short Term Provisions	51.44	61.49	62.72	58.20	49.43	43.78
<b>Total (C)</b>	<b>462.24</b>	<b>552.14</b>	<b>577.43</b>	<b>391.74</b>	<b>52.35</b>	<b>45.80</b>
<b>Total (D=A+B+C)</b>	<b>1228.81</b>	<b>1,266.45</b>	<b>1,220.71</b>	<b>921.67</b>	<b>543.41</b>	<b>506.70</b>
<b>Assets</b>						
<b>Fixed Assets:</b>						
Tangible Assets	136.92	156.13	39.69	49.62	73.18	75.83
Intangible Assets	-	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-	-
Non Current Investments	-	-	-	-	-	-
Deferred Tax Assets (Net)	1.94	-	7.98	6.47	0.83	0.79
Other Non Current Assets	8.91	3.71	59.71	60.61	61.51	61.51
<b>Total (E)</b>	<b>147.77</b>	<b>159.84</b>	<b>107.38</b>	<b>116.70</b>	<b>135.52</b>	<b>138.13</b>
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Inventories	184.78	330.32	301.40	496.85	28.74	38.35
Trade Receivables	653.80	604.15	679.12	151.06	73.67	41.94
Cash & Bank Balances	5.88	4.11	7.11	70.18	156.54	37.72
Short Term Loans & Advances	178.84	85.82	37.14	3.14	57.39	162.05
Other Current Assets	57.74	82.20	88.56	83.74	91.55	88.51
<b>Total (F)</b>	<b>1081.04</b>	<b>1,106.60</b>	<b>1,113.33</b>	<b>804.97</b>	<b>407.89</b>	<b>368.57</b>
<b>Total (G=E+F)</b>	<b>1,228.81</b>	<b>1,266.44</b>	<b>1,220.71</b>	<b>921.67</b>	<b>543.41</b>	<b>506.70</b>



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

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Income</b>						
Revenue from Operations	5756.89	5,818.62	5,837.88	5,781.48	5,463.09	58.07
Other Income	7.78	6.32	6.43	8.85	30.26	38.22
<b>Total</b>	<b>5,764.67</b>	<b>5,824.94</b>	<b>5,844.31</b>	<b>5,790.33</b>	<b>5,493.35</b>	<b>96.29</b>
<b>Expenditure</b>						
Purchases of Stock in Trade	5,393.35	5,637.78	5,472.28	6,074.68	5,370.18	83.78
Changes in Inventories of Stock in Trade	145.54	(28.92)	195.44	(468.11)	9.61	(30.16)
Employee Benefit Expenses	20.39	27.47	27.35	23.31	32.25	2.73
Administrative, Selling and Other Expenses	39.90	35.19	65.12	62.41	44.62	14.06
<b>Total</b>	<b>5,599.78</b>	<b>5,671.52</b>	<b>5,760.19</b>	<b>5,692.29</b>	<b>5,456.66</b>	<b>70.41</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>164.89</b>	<b>153.42</b>	<b>84.12</b>	<b>98.04</b>	<b>36.69</b>	<b>25.88</b>
Depreciation & Amortisations	20.17	20.25	9.93	23.56	7.53	7.65
Preliminary Expenses Written Off	-	-	-	-	-	-
<b>Profit before Interest &amp; Tax</b>	<b>144.72</b>	<b>133.17</b>	<b>74.19</b>	<b>74.48</b>	<b>29.16</b>	<b>18.23</b>
Financial Expenses	50.61	62.49	51.61	35.82	-	-
Exceptional Items		-	-	-	-	-
<b>Net Profit before Tax</b>	<b>94.11</b>	<b>70.68</b>	<b>22.58</b>	<b>38.66</b>	<b>29.16</b>	<b>18.23</b>
<b>Less: Exceptional Items</b>	<b>0.19</b>					
<b>Less: Provision for Taxes:</b>						
Current Tax	30.58	13.06	7.93	17.70	7.59	3.27
Deferred Tax	2.87	8.92	(1.51)	(5.64)	(0.05)	(0.08)
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>66.21</b>	<b>48.70</b>	<b>16.16</b>	<b>26.60</b>	<b>21.62</b>	<b>15.04</b>
Extra Ordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>66.21</b>	<b>48.70</b>	<b>16.16</b>	<b>26.60</b>	<b>21.62</b>	<b>15.04</b>





STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxes	94.11	70.68	22.58	38.66	29.16	18.23
Adjustment for:						
Add: Depreciation & Amortizations	20.17	20.25	9.93	23.56	7.53	7.65
Add: Interest & Finance Charges	50.61	62.49	51.61	35.82	-	-
Operating Profit before Working capital changes	<b>164.89</b>	<b>153.42</b>	<b>84.12</b>	<b>98.04</b>	<b>36.69</b>	<b>25.88</b>
Adjustments for:						
Decrease (Increase) in Inventories	145.54	(28.92)	195.45	(468.11)	9.61	(30.16)
Decrease (Increase) in Trade & Other Receivables	(49.65)	74.97	(528.06)	(77.39)	(31.73)	(10.17)
Decrease (Increase) in Short Term Loans & Advances	(93.02)	(48.68)	(34.00)	54.25	104.66	119.95
Decrease (Increase) in Other Current Assets(Excl Taxes)	24.62	(5.49)	3.19	8.74	2.20	3.72
Increase (Decrease) in Trade Payables	1.33	(211.19)	130.99	80.90	0.51	(1.49)
Increase (Decrease) in Short Term Provisions (Excl Taxes)	(16.55)	0.15	0.23	0.62	-	-
Increase (Decrease) in Other Long Term Liabilities& Provisions	23.74	1.40	2.90	2.28	8.54	0.60
Increase (Decrease) in Other Current Liabilities	(45.77)	145.37	2.02	0.47	0.39	(0.61)
Net Changes in Working Capital	<b>(9.76)</b>	<b>(72.39)</b>	<b>(227.28)</b>	<b>(398.24)</b>	<b>94.18</b>	<b>81.84</b>
Cash Generated from Operations	155.13	81.03	(143.16)	(300.20)	130.87	107.72
Taxes	(24.24)	(2.59)	(11.65)	(10.48)	(7.18)	(35.93)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>130.89</b>	<b>78.44</b>	<b>(154.81)</b>	<b>(310.68)</b>	<b>123.69</b>	<b>71.79</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale /(Purchase) of Fixed Assets and CWIP	(0.96)	(136.69)	-	-	(4.88)	(1.66)
Decrease (Increase) in Non Current Assets	3.71	56.00	0.90	0.90	-	(60.97)
Decrease (Increase) in Investments	(8.91)	-	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(6.16)</b>	<b>(80.69)</b>	<b>0.90</b>	<b>0.90</b>	<b>(4.88)</b>	<b>(62.63)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-	-	-
Interest & Finance Charges	(50.61)	(62.49)	(51.61)	(35.82)	-	-
Increase / (Repayment) of Long Term Borrowings	(36.75)	19.97	94.29	10.00	-	-
Increase / (Repayment) of Short Term Borrowings	(35.41)	41.76	48.16	249.25	-	-
Decrease (Increase) in Long Term Loans & Advances	-	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(122.77)</b>	<b>(0.76)</b>	<b>90.84</b>	<b>223.43</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash</b>	<b>1.96</b>	<b>(3.01)</b>	<b>(63.07)</b>	<b>(86.35)</b>	<b>118.81</b>	<b>9.16</b>



Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Equivalents						
Cash and cash equivalents at the beginning of the year / Period	4.11	7.11	70.18	156.54	37.72	28.56
Cash and cash equivalents at the end of the year/ Period	5.88	4.11	7.11	70.18	156.54	37.72



## ISSUE DETAILS IN BRIEF

The following table summarizes the issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Issue of 16,20,000 Equity Shares having face value of Rs. 10.00 each at a price of Rs. 26 per Equity Share (including a share premium of Rs. 16 per Equity share) aggregating Rs. 421.20 lacs.
<b>Of which:</b>	
Market Maker Reservation Portion	84,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 26 /- per Equity Share aggregating Rs. 21.84 lacs.
Net Issue to the Public*	15,36,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 26 per Equity Share aggregating Rs. 399.36 lacs.
	<b>Of which:</b>
	Not less than 7,68,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 26 per Equity Share aggregating Rs. 199.68 lacs will be available for allocation to investors up to Rs. 2.00 Lacs.
	Upto 7,68,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 26 per Equity Share aggregating Rs. 199.68 lac will be available for allocation to investors above Rs. 2.00 Lacs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	43,81,685 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	60,01,685 Equity Shares of face value of Rs. 10 each
Use of Proceeds	For further details please refer chapter titled Objects of the Issue, beginning on page 86 of this Prospectus for information on use of Issue Proceeds.

*The Issue has been authorised by our Board pursuant to a resolution dated November 07, 2017 and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on December 01, 2017.*

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price offer the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.



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

For further details please refer to section titled “*Issue Related Information*” beginning on page 208 of this Prospectus.



## GENERAL INFORMATION

### CONTINENTAL SEEDS AND CHEMICALS LIMITED

Our Company was originally incorporated at New Delhi as “Terai Beej Private Limited” on 22<sup>nd</sup> June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Terai Beej Limited” and fresh certificate of incorporation dated 7<sup>th</sup> May, 1986 was issued by the Asstt. Registrar of Companies, Delhi & Haryana. Subsequently, the name of the Company was changed to “Continental Seeds and Chemicals Limited” vide Fresh Certificate of Incorporation dated 8<sup>th</sup> May, 1986 issued by Addl. Registrar of Companies, Delhi & Haryana.

#### REGISTERED OFFICE:

Lower Ground Floor,  
Plot No. 38 Okhla Phase 3,  
South Delhi, New Delhi 110020  
Tel:+ 011-40523652  
Email: [info@continentalseeds.co.in](mailto:info@continentalseeds.co.in)  
Website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

**COMPANY REGISTRATION NUMBER:** 015969

**COMPANY IDENTIFICATION NUMBER:** U01111DL1983PLC015969

Our Company is registered with the Registrar of Companies, Delhi

**DESIGNATED STOCK EXCHANGE:** National Stock Exchange of India Limited

**LISTING OF SHARES OFFERED IN THIS ISSUE:** National Stock Exchange of India Limited

For details in relation to the changes to the name of our Company, please refer to the section titled “Our History and Corporate Structure” beginning on page 129 of this Prospectus.

#### CONTACT PERSON:

Mr. Abhinav Mishra,  
Company Secretary and Compliance officer  
Lower Ground Floor,  
Plot No. 38 Okhla Phase 3,  
South Delhi, New Delhi 110020  
Tel:+ 011-40523652  
Email: [cs@continentalseeds.co.in](mailto:cs@continentalseeds.co.in)  
Website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

#### BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Praveen Rastogi	Managing Director	01414608	H. NO. 760 Kot Sharki D Ashink Sambhal 244302 UP IN



NAME	DESIGNATION	DIN	ADDRESS
Mrs. Jaishree Rastogi	Executive and Non Independent Director	01414622	H. NO. 760 Kot Sharki D Ashink Sambhal 244302 UP IN
Mr. Sachin Rastogi	Non Executive And Non Independent Director	05134858	KOT East, TEH. Sambhal Moradabad Sambhal 244302 UP IN
Mr. Mujuffar Khan	Non Executive And Independent Director	07976446	310 Mehmoodpur Nafi, Tehsil Bilari, Moradabad, Uttar Pradesh -244301
Mr. Prashant Rastogi	Non Executive And Independent Director	07974052	MOH. KOT East Sambhal Sambhal 244302 UP IN

For further details of Management of our Company, please refer to section titled "Our Management" on page 133 of this Prospectus.

#### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Abhinav Mishra,  
Company Secretary and Compliance officer  
Lower Ground Floor,  
Plot No. 38 Okhla Phase 3,  
South Delhi, New Delhi 110020  
Tel:+ 011-40523652  
Email: [cs@continentalseeds.co.in](mailto:cs@continentalseeds.co.in)  
Website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

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

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

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

#### Chief Financial Officer of our Company

Our Company has appointed Mr. Utpal Tandon as the Chief Financial Officer (CFO). His contact details are set forth hereunder:

Mr. Utpal Tandon,  
Lower Ground Floor,  
Plot No. 38 Okhla Phase 3,  
South Delhi, New Delhi 110020  
Tel:+ 011-40523652  
Email: [cfo@continentalseeds.co.in](mailto:cfo@continentalseeds.co.in)  
Website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)



## STATUTORY AUDITORS

### **M/S. PMAS & ASSOCIATES LLP.**

Chartered Accountants

1/30, 3<sup>rd</sup> Floor,

Lalita Park, Laxmi Park,

Delhi-110092

Contact No. 011-43025308; 9990447706

E-mail: [camohitrastogi@gmail.com](mailto:camohitrastogi@gmail.com)

Contact Person: Mr. Mohit Rastogi

Membership No. 514835

Firm Registration No.024726N

## PEER REVIEW AUDITORS

### **M/S. RAMANAND & ASSOCIATES,**

Chartered Accountants

6/C, Ostwal Park, Building No. 4 CHSL,

Near Jesal Park, Jain Temple,

Bhayander (East), Thane - 401105

Tel : +91-22-2817 1199

Telefax: +91-22-2817 1199

E-mail: [rg@ramanandassociates.com](mailto:rg@ramanandassociates.com)

Firm Registration No. -117776W

Contact Person: Mr. Ramanand Gupta

## LEAD MANAGER

### **NAVIGANT CORPORATE ADVISORS LIMITED**

423, A Wing, Bonanza,

Sahar Plaza Complex, J B Nagar, Andheri Kurla Road,

Andheri East,

Mumbai-400 059

Tel No. +91-22-41204837

Email Id- [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)

Investor Grievance Email: [info@navigantcorp.com](mailto:info@navigantcorp.com)

Website: [www.navigantcorp.com](http://www.navigantcorp.com)

SEBI Registration Number: INM000012243

Contact Person: Mr. Sarthak Vijlani

## LEGAL ADVISORS TO THE ISSUE

### **LAW AND LEGAL JURISTS**

Chamber No. 612, Dwarka Court Complex,

Sector - 10, Dwarka,

New Delhi - 110 075

Tel: +91-011-2381 2302

Email: [lljurists@yahoo.co.in](mailto:lljurists@yahoo.co.in)

Contact Person: Mr. Ranjan



## REGISTRAR TO THE ISSUE

### MAS SERVICES LIMITED

T-34, 2nd Floor,  
Okhla Industrial Area Phase - II,  
New Delhi - 110020  
Tel No.: +91-11-26387281/82/83  
Fax No.: +91-11-26387384  
Website: [www.masserv.com](http://www.masserv.com)  
E-mail ID: [info@masserv.com](mailto:info@masserv.com)  
Contact Person: Mr. Sharwan Mangla  
SEBI Registration No: INR000000049

## PUBLIC ISSUER BANKER / BANKER TO THE ISSUE

### INDUSIND BANK LIMITED

PNA House, 4<sup>th</sup> Floor,  
Plot No. 57/57 1, Road No. 17,  
Near SRL, MIDC,  
Andheri (East), Mumbai-400 093  
Contact Person: Mr. Suresh Esaki  
Email Id- [suresh.easaki@indusind.com](mailto:suresh.easaki@indusind.com)  
Contact No: +91-22-6106 9234  
Fax: +91-22-61069315

## ISSUE ADVISOR TO THE COMPANY

### SNI CAPITAL ADVISORS

4805/24, Bharat Ram Road,  
Darya Ganj, New Delhi-110002  
Tel: +91-11-43528764  
Fax: +91-11-23288003  
E-mail: [info@snicapitaladvisors.com](mailto:info@snicapitaladvisors.com)  
Website: [www.snicapitaladvisors.com](http://www.snicapitaladvisors.com)  
Contact Person: Mr. Vivek Jain

## SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

## BROKER CENTRES/ DESIGNATED CDP LOCATIONS/ DESIGNATED RTA LOCATIONS

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.nseindia.com](http://www.nseindia.com).

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.





## **CREDIT RATING**

As the Issue is of Equity shares, credit rating is not mandatory.

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **IPO GRADING**

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

## **BROKERS TO THE ISSUE**

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

## **APPRAISAL AND MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 100.00 Crores. Since the Issue size is less than Rs. 100.00 Crores, our Company has not appointed any monitoring agency for this Issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

## **DETAILS OF THE APPRAISING AUTHORITY**

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

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

Since Navigant Corporate Advisors Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

## **EXPERT OPINION**

Except the report of the Peer Review Auditor of our Company on the financial statements and statement of tax benefits included in the Prospectus, our Company has not obtained any other expert opinion.

## **UNDERWRITING AGREEMENT**

This Issue is 100% Underwritten. The Underwriting Agreement is dated **28<sup>th</sup> February, 2018** , Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:



Name, address, telephone number and e-mail address of the Underwriters	Number of Equity Shares Underwritten	Amount Underwritten (Rupees In Lacs)	% of Total Amount Underwritten
<b>NAVIGANT CORPORATE ADVISORS LIMITED</b> 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 <b>Tel No.</b> +91-22-41204837 <b>Email Id-</b> <a href="mailto:navigant@navigantcorp.com">navigant@navigantcorp.com</a> <b>Investor Grievance Email:</b> <a href="mailto:info@navigantcorp.com">info@navigantcorp.com</a> <b>Website:</b> <a href="http://www.navigantcorp.com">www.navigantcorp.com</a> <b>SEBI Registration Number:</b> INM000012243 <b>Contact Person:</b> Mr. Sarthak Vijlani	16,20,000	Rs. 421.20	100.00

The above mentioned is indicative underwriting and will be finalized after determination of the Issue Price and actual allocation subject to the provisions of the SEBI Regulations.

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

Our Company has entered into an agreement dated 28<sup>th</sup> February, 2018 with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

#### NAME AND ADDRESS OF THE MARKET MAKER

<b>Name</b>	Alacrity Securities Limited
<b>Correspondence Address:</b>	101, 1st Floor, Hari Darshan, B Wing, Bhogilal Fadia Road, Kandivali (West), Mumbai-400 067
<b>Tel No.:</b>	+91-22-2807 3882/2807 3982
<b>Fax No.:</b>	+91 22 2807 3967
<b>Email:</b>	alacritysec@gmail.com
<b>Website:</b>	<a href="http://www.alacritysec.com">www.alacritysec.com</a>
<b>Contact Person:</b>	Mr. Hiten Mehta
<b>SEBI Registration No.:</b>	INB010909837
<b>NSE Code</b>	09098

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.



3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
6. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market - for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
7. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

8. **Risk containment measures and monitoring for Market Makers:** NSE will have all margins, which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
9. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012 has laid down that for issue size upto Rs. 250 crore, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the call auction, the price band in the normal trading session be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the call auction, the price band in the normal trading session shall be 5% of the Issue size.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by exchange from time to time. The call auction is not applicable of those companies, which are listed at SME Platform.

10. **Punitive Action in case of default by Market Makers:** NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not



present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

12. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
13. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.



## CAPITAL STRUCTURE

The Share Capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below.

(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	65,00,000 Equity Shares of face value of Rs.10 each	650.00	650.00
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	43,81,685 Equity Shares of face value of Rs. 10 each	438.17	-
<b>C.</b>	<b>Present Issue in terms of the Prospectus</b>		
	Issue of 16,20,000 Equity Shares of Rs. 10 each at a price of Rs. 26 per Equity Share.	162.00	421.20
	<b>Which comprises</b>		
	Reservation for Market Maker of 84,000 Equity Shares of Rs. 10/- each at a price of Rs. 26 per Equity Share	8.40	21.84
	Net Issue to Public of 15,36,000 Equity Shares of Rs. 10/- each at a price of Rs. 26 per Equity Share to the Public	153.60	399.36
	<b>Of the Net issue to the public</b>		
	Not less than 7,68,000 Equity Shares of Rs.10/- each at a price of Rs. 26 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs	76.80	199.68
	Upto 7,68,000 Equity Shares of Rs. 10/- each at a price of Rs. 26 per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	76.80	199.68
<b>D.</b>	<b>Equity Capital after the Issue</b>		
	60,01,685 Equity Shares of Rs. 10 each	600.17	---
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		-
	After the Issue		259.20

*\*This Issue has been authorized by the Board of Directors pursuant to a board resolution dated November 07, 2017 and by the shareholders of our Company pursuant to a special resolution dated December 01, 2017 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.*

Our Company has no outstanding convertible instruments as on the date of the Prospectus.

### CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	10,000 Equity Shares of Rs. 100 each	-	Incorporation
2	10,000 Equity Shares of Rs. 100 each	15,000 Equity Shares of Rs. 100 each	30 <sup>th</sup> June, 1985*	EGM
3	15,000 Equity Shares of Rs. 100 each	40,000 Equity Shares of Rs. 100 each	5 <sup>th</sup> May, 1986*	EGM

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
4	4,00,000 Equity Shares of Rs. 100 each	400,000 Equity Shares of Rs. 10 each	12 <sup>th</sup> August, 1986*	EGM
5	400,000 Equity Shares of Rs. 10 each	10,00,000 Equity Shares of Rs. 10 each	14 <sup>th</sup> October, 1998*	EGM
6	10,00,000 Equity Shares of Rs. 10 each	15,00,000 Equity Shares of Rs. 10 each	9 <sup>th</sup> January, 2012	EGM
7	15,00,000 Equity Shares of Rs. 10 each	65,00,000 Equity Shares of Rs. 10 each	6 <sup>th</sup> June, 2017	EGM

\*We have been unable to trace corporate resolutions, and requisite forms filed with the RoC in relation to Changes in Authorised Share Capital. See "Risk Factors" on page 15 of this Prospectus.

## NOTES FORMING PART OF CAPITAL STRUCTURE

### 1. Equity Share Capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
22.06.1983	20	100	100	Cash	Incorporation (A)	20	2,000	-
24.01.1984*	470	100	100	Cash	Further Issue (B)	490	49,000	-
12.02.1984*	5,860	100	100	Cash	Further Issue (C)	6,350	6,35,000	-
24.09.1984*	2,545	100	100	Cash	Further Issue (D)	8,895	8,89,500	-
30.09.1984*	450	100	100	Cash	Further Issue (E)	9,345	9,34,500	-
30.06.1985*	450	100	100	Cash	Further Issue (F)	9,795	9,79,500	-
12.08.1986*	97,950	10	N.A.	N.A.	Sub Division of Face value from Rs. 100 to Rs. 10 per share (G)	97,950	9,79,500	-
17.09.1986*	15,500	10	10	Cash	Further Issue (H)	1,13,450	11,34,500	-
29.12.1986*	7,000	10	10	Cash	Further Issue (I)	1,20,450	12,04,500	-
19.05.1988*	50,000	10	10	Cash	Right Issue (J)	1,70,450	17,04,500	-
28.08.1989*	49,550	10	10	Cash	Further Issue (K)	2,20,000	22,00,000	-
18.12.1996*	27,700	10	10	Cash	Right Issue (L)	2,47,700	24,77,000	-
14.10.1998*	60,000	10	10	Cash	Further Issue (M)	3,07,700	30,77,000	-
03.01.2000*	1,83,500	10	10	Cash	Further Issue (N)	4,91,200	49,12,000	-
21.11.2000*	2,45,520	10	10	Cash	Right Issue (O)	7,36,720	73,67,200	-
04.03.2005*	1,50,190	10	10	Cash	Further Issue (P)	8,86,910	88,69,100	-
08.03.2005*	90,000	10	10	Cash	Further Issue (Q)	9,76,910	97,69,100	-
31.03.2012	2,75,000	10	100	Cash	Further Issue (R)	12,51,910	1,25,19,100	2,47,50,000
29.06.2017	31,29,775	10	N.A.	N.A.	Bonus Issue (S)	43,81,685	4,38,16,850	-

\*We have been unable to trace corporate resolutions, and requisite forms filed with the RoC in relation to certain allotments. See "Risk Factors" on page 15 of this Prospectus.



- A. Initial Subscribers to Memorandum of Association subscribed 20 Equity Shares of face value of Rs. 100 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	10
2	Abhey Yograj	10
	<b>Total</b>	<b>20</b>

- B. Further Allotment of 470 Equity Shares of face value of Rs. 100 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	470
	<b>Total</b>	<b>470</b>

- C. Further Allotment of 5,860 Equity Shares of face value of Rs. 100 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	470
2	M S Dillion	1200
3	Ashok Kumar Garg	140
4	Bhagirath Lal	100
5	Raghibir Dhillon	1000
6	G S Hundal	1000
7	Capt Vijay Neil Kumar	1200
8	Raghu Nath Sahand	500
9	P P S Dhillon	250
	<b>Total</b>	<b>5860</b>

- D. Further Allotment of 2,545 Equity Shares of face value of Rs. 100 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	800
2	M S Dillion	300
3	P P S Dhillon	250
4	Asha Garg	750
5	Sushil Garg	290
6	Vijay Goyal	155
	<b>Total</b>	<b>2545</b>



- E. Further Allotment of 450 Equity Shares of face value of Rs. 100 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	450
	<b>Total</b>	<b>450</b>

- F. Further Allotment of 450 Equity Shares of face value of Rs. 100 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	450
	<b>Total</b>	<b>450</b>

- H. Further Allotment of 15,500 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Asha Garg	1000
2	Arun Umar Paranskhaka	200
3	Amit Kumar Tibriwal	200
4	Arun Kumar Agarwal	400
5	Binod Kumar	200
6	Sridhi Chand	300
7	Shrata Nand Singh	300
8	Bhagwati Preeti	400
9	Bimla Brar	5000
10	Chandra Mouledhwar Prasad	200
11	Dinesh Chandra	200
12	Dulli Chand	100
13	Devi Prasad	400
14	N D S Malhotra	200
15	Hansaraj Bafna	700
16	Kanta Rani Bansal	500
17	Keshav Dev	200
18	Kedar Nath	300
19	Lalita Devi	300
20	Nata Saran	200
21	Mishri Nahto	400
22	Madhu Rungta	500
23	Arjun Kumar Sinha	600
24	Ratna Prasad	200
25	Sudha Tihrifal	500
26	Sudesh Kumar	500
27	Satyam Investments Pvt Ltd	500
28	Varun Behgel	700
29	Saroj Sharma	200





S.No.	Name of the Allottees	Number of Equity Shares
30	Jogendra Krishna Gaiha	100
	<b>Total</b>	<b>15,500</b>

- I. Further Allotment of 7,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Arvind Kumar	100
2	Vijay Kumar Panjiyar	200
3	Prem Lata Somani	200
4	Ashok Bhatia	100
5	Banvri Lal	500
6	Amaninder Singh	1000
7	Roshan Lal	100
8	Kapil Dev Prasad	100
9	Jagdish Chander Trehan	100
10	Surinder Kumar Trehan	100
11	Pankaj Trehan	100
12	Harvinder Kumar Trehan	100
13	Vipan Ghai	500
14	Rakesh Ghai	500
15	Nand Kumar Sidana	200
16	Bishundeo Dhowdhary	100
17	Aji Kahlon	1000
18	Mahipal Singh Dhillon	2000
	<b>Total</b>	<b>7,000</b>

- J. Right Issue of 50,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	12500
2	Raghibir Dhillon	8000
3	Eicher Investments Pvt Ltd	5000
4	Asha Garg	5000
5	Arun Umar Paranskhaka	400
6	Amit Kumar Tibriwal	400
7	Arun Kumar Agarwal	600
8	Binod Kumar	300
9	Sridhi Chand	500
10	Shrata Nand Singh	600
11	Bhagwati Preeti	400
12	Bimla Brar	5000
13	Chandra Mouledhwar Prasad	200
14	Dinesh Chandra	200
15	Dulli Chand	100
16	Devi Prasad	400

S.No.	Name of the Allottees	Number of Equity Shares
17	N D S Malhotra	200
18	Hansaraj Bafna	700
19	Kanta Rani Bansal	500
20	Keshav Dev	400
21	Kedar Nath	300
22	Lalita Devi	300
23	Nata Saran	300
24	Mishri Nahto	400
25	Madhu Rungta	500
26	Arjun Kumar Sinha	600
27	Ratna Prasad	300
28	Sudha Tihrifal	500
29	Sudesh Kumar	500
30	Satyam Investments Pvt Ltd	500
31	Varun Behgel	900
32	Saroj Sharma	300
33	Jogendra Krishna Gaiha	200
34	Aji Kahlon	1000
35	Mahipal Singh Dhillon	2000
	<b>Total</b>	<b>50,000</b>

- K. Further allotment of 49,550 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Renu Kumar	1000
2	Shilban Investment P Ltd	15000
3	Shalini Kumar	4000
4	Shibani Kumar	4550
5	Arti Kumar	5000
6	Capt Vijay Neil Kumar	20000
	<b>Total</b>	<b>49,550</b>

- l. Right Issue of 27,700 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	7500
2	Renu Kumar	3000
3	Raghubir Dhillon	3500
4	Asha Garg	3000
5	Arun Umar Paranskhaka	500
6	Amit Kumar Tibriwal	450
7	Arun Kumar Agarwal	550
8	Binod Kumar	400
9	Sridhi Chand	350
10	Shrata Nand Singh	450

S.No.	Name of the Allottees	Number of Equity Shares
11	Bhagwati Preeti	650
12	Bimla Brar	5250
13	Chandra Mouledhwar Prasad	2100
	<b>Total</b>	<b>27,700</b>

M. Further allotment of 60,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	60,000
	<b>Total</b>	<b>60,000</b>

N. Further allotment of 1,83,500 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Capt Vijay Neil Kumar	32000
2	Renu Kumar	12000
3	Shalini Kumar	12000
4	Shibani Kumar	15000
5	Shilban Investments P Ltd	100000
6	Arti Kumar	12500
	<b>Total</b>	<b>1,83,500</b>

O. Right Issue of 2,45,520 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Shilban Investments P Ltd	62350
2	Capt Vijay Neil Kumar	54670
3	Jaigauri Investment P Ltd	84000
4	Arti Kumar	10000
5	Shibani Kumar	15000
6	Sunil Garg	17000
7	Shalini Kumar	2500
	<b>Total</b>	<b>2,45,520</b>

P. Further Allotment of 1,50,190 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Sunil Garg	3000
2	Shalini Kumar	20012
3	Shibani Kumar	20373
4	Capt Vijay Neilkumar	52225



S.No.	Name of the Allottees	Number of Equity Shares
5	Arti Kumar	20038
6	Renu Kumar	13542
7	Shilban Investments P Ltd	16000
8	Jaigauri Investment P Ltd	5000
	<b>Total</b>	<b>1,50,190</b>

Q. Further Allotment of 90,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Sunil Garg	70000
2	Renu Kumar	4000
3	Shibani Kumar	4000
4	Arti Kumar	4000
5	Shalini Kumar	4000
6	Capt Vijay Neil Kumar	4000
	<b>Total</b>	<b>90,000</b>

R. Further Allotment of 2,75,000 Equity Shares of face value of Rs. 10 each as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Caste Fincon Private Ltd	30000
2	Riteshwari Trading & Investments Pvt Ltd	50000
3	Arrowspace Construction Consultants Pvt Ltd	40000
4	Carrier Sharpen Services Pvt Ltd	35000
5	Sunil Tradex (India) Pvt Ltd	15000
6	Ncmc Consultants Pvt Ltd	12500
7	Rekha Advertising Pvt Ltd	12500
8	Sahaj E Solutions Pvt Ltd	12500
9	Mittal Talnet Services Pvt Ltd	15000
10	Nirmal Tours Pvt Ltd	12500
11	Networth Properties Pvt Ltd	12500
12	Knm Consultants Pvt Ltd	12500
13	Sahaj Realtors Pvt Ltd	15000
	<b>Total</b>	<b>2,75,000</b>

S. Bonus Issue of 31,29,775 Equity Shares of face value of Rs. 10 each in the ratio of five (5) equity shares for every two (2) equity share held as per the details given below:-

S.No.	Name of the Allottees	Number of Equity Shares
1	Praveen Rastogi	1189625
2	Jaishree Rastogi	1232400
3	Sachin Rastogi	7750
4	Nidhi Gupta	150000
5	Nishi Singhal	125000

S.No.	Name of the Allottees	Number of Equity Shares
6	Purnima Varshney	150000
7	Anju Devi	125000
8	Vivek Varshney	150000
	<b>Total</b>	<b>31,29,775</b>

2. We have not issued any Equity Shares for consideration other than cash except bonus issue as per details given below.

Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
29.06.2017	31,29,775	Mr. Praveen Rastogi (1189625), Mrs. Jaishree Rastogi (1232400), Mr. Sachin Rastogi (7750), Mrs. Nidhi Gupta (150000), Mrs. Nishi Singhal (125000), Ms. Purnima Varshney (150000), Mrs. Anju Devi (125000), Mr. Vivek Varshney (150000)	Promoter and Promoter Group	Bonus Issue (5:2)	10	NA

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or Sections 230- 233 of the Companies Act, 2013.
4. Issue of Equity Shares in the last two (2) year preceding the date of Prospectus:

Date of Allotment	Number of Equity Shares	Name of the Allottees	Face Value (in Rs.)	Issue Price (in Rs.)
29.06.2017	31,29,775	Mr. Praveen Rastogi (1189625), Mrs. Jaishree Rastogi (1232400), Mr. Sachin Rastogi (7750), Mrs. Nidhi Gupta (150000), Mrs. Nishi Singhal (125000), Ms. Purnima Varshney (150000), Mrs. Anju Devi (125000), Mr. Vivek Varshney (150000)	10	N.A.

5. Shareholding of our Promoter:

Set forth below are the details of the build-up of shareholding of our Promoter.

1. MR. PRAVEEN RASTOGI								
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Source of Funds	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
15.01.2012	Cash	2,12,900	10	10	Owned	Acquisition		



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1. MR. PRAVEEN RASTOGI								
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Source of Funds	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
15.10.2012	Cash	2,58,850	10	10	Owned	Acquisition		
01.10.2016	Cash	4,100	10	10	Owned	Acquisition		
29.06.2017	Other than Cash	11,89,625	10	NA	N.A.	Bonus Issue		
<b>Total</b>		<b>16,65,475</b>					<b>38.01</b>	<b>27.75</b>

#### Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Name	No. of shares locked in	Date of Allotment/ Acquisition/ Transfer	Issue Price / Purchase Price /Transfer Price(Rs. per share)	Source of Funds	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Praveen Rastogi	11,89,625	29.06.2017	N.A.	N.A.		
	60,375	15.10.2012	10.00	Owned		
<b>Total</b>	<b>12,50,000</b>				<b>28.53</b>	<b>20.83</b>

We further confirm that the minimum Promoter 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 out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the 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.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.



- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price.

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

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

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 36 or 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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

#### **6. Details of share capital locked in for one year:**



In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.



## 7. Shareholding pattern of our Company:

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

**Table I - Summary of Shareholding Pattern**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities* (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class X	Class Y	Total								
(A)	Promoter and Promoter Group	8	43,81,685	-	-	43,81,685	100.00	43,81,685	-	43,81,685	100.00	-	-	-	-	-	-	4341685
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>43,81,685</b>	<b>-</b>	<b>-</b>	<b>43,81,685</b>	<b>100.00</b>	<b>43,81,685</b>	<b>-</b>	<b>43,81,685</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4341685</b>

Table II - Statement showing Shareholding Pattern of the Promoter and Promoter Group

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
(1)	Indian																		
(a)	Individual / Hindu Undivided Family		8	43,81,685	-	-	43,81,685	100.00	43,81,685	-	43,81,685	100.00	-	100.00	-	-	-	-	43,81,685
	Praveen Rastogi	-	1	1665475	-	-	1665475	38.01	1665475	-	1665475	38.01	-	38.01	-	-	-	-	1665475
	Jaishree Rastogi	-	1	1725360	-	-	1725360	39.39	1725360	-	1725360	39.39	-	39.39	-	-	-	-	1725360
	Sachin Rastogi	-	1	10850	-	-	10850	0.25	10850	-	10850	0.25	-	0.25	-	-	-	-	10850
	Nidhi Gupta	-	1	210000	-	-	210000	4.79	210000	-	210000	4.79	-	4.79	-	-	-	-	170000
	Nishi Singhal	-	1	175000	-	-	175000	3.99	175000	-	175000	3.99	-	3.99	-	-	-	-	175000

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
	Purnima Varshney	-	1	210000	-	-	210000	4.79	210000	-	210000	4.79	-	4.79	-	-	-	-	210000
	Anju Devi	-	1	175000	-	-	175000	3.99	175000	-	175000	3.99	-	3.99	-	-	-	-	175000
	Vivek Varshney	-	1	210000	-	-	210000	4.79	210000	-	210000	4.79	-	4.79	-	-	-	-	210000
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A-1)</b>		<b>8</b>	<b>43,81,685</b>	<b>-</b>	<b>-</b>	<b>43,81,685</b>	<b>100.00</b>	<b>43,81,685</b>	<b>-</b>	<b>43,81,685</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,81,685</b>

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
(2)	<b>Foreign</b>																		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A-2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		8	43,81,685	-	-	43,81,685	100.00	43,81,685	-	43,81,685	100.00	-	100.00	-	-	-	-	43,41,685

Table III - Statement showing Shareholding Pattern of the Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights	No. (a)			As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)			
		(Not to be Disclosed)							Class X	Class Y	Total								
(1)	<b>Institutions</b>																		
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lacs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lacs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Table IV - Statement showing Shareholding Pattern of the Non Promoter- Non Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights	Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
		(Not to be Disclosed)							Class X	Class Y	Total								
	Employee Benefit Regulations, 2014)																		
	<b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Securities and Exchange Board of India (Listing obligations and disclosures Requirement) Regulation, 2015, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Praveen Rastogi	16,65,475	2.86

9. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the Shareholders	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Praveen Rastogi	16,65,475	38.01
Mrs. Jaishree Rastogi	17,25,360	39.39
Mr. Sachin Rastogi	10,850	0.25
<b>TOTAL</b>	<b>34,01,685</b>	<b>77.65</b>

#### 10. Pre-Issue and Post Issue Shareholding of our Promoter and Promoter's Group

Set forth is the shareholding of our Promoter and Promoter Group before and after the proposed issue:

Particulars	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>Promoter:</b>				
Mr. Praveen Rastogi	16,65,475	38.01	16,65,475	27.75
<b>Promoter Group:</b>				
Mrs. Jaishree Rastogi	17,25,360	39.39	17,25,360	28.75
Mr. Sachin Rastogi	10,850	0.25	10,850	0.18
Mrs. Nidhi Gupta	2,10,000	4.79	2,10,000	3.50
Mrs. Nishi Singhal	1,75,000	3.99	1,75,000	2.91
Ms. Purnima Varshney	2,10,000	4.79	2,10,000	3.50
Mrs. Anju Devi	1,75,000	3.99	1,75,000	2.92]
Mr. Vivek Varshney	2,10,000	4.79	2,10,000	3.50
<b>TOTAL</b>	<b>43,81,685</b>	<b>100.00</b>	<b>43,81,685</b>	<b>73.01</b>

#### 11. Equity Shares held by top ten shareholders

- (a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Mr. Praveen Rastogi	16,65,475	38.01
2	Mrs. Jaishree Rastogi	17,25,360	39.39
3	Mr. Sachin Rastogi	10,850	0.25
4	Mrs. Nidhi Gupta	2,10,000	4.79
5	Mrs. Nishi Singhal	1,75,000	3.99
6	Ms. Purnima Varshney	2,10,000	4.79

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
7	Mrs. Anju Devi	1,75,000	3.99
8	Mr. Vivek Varshney	2,10,000	4.79
	<b>Total</b>	<b>43,81,685</b>	<b>100.00</b>

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Mr. Praveen Rastogi	16,65,475	38.01
2	Mrs. Jaishree Rastogi	17,25,360	39.39
3	Mr. Sachin Rastogi	10,850	0.25
4	Mrs. Nidhi Gupta	2,10,000	4.79
5	Mrs. Nishi Singhal	1,75,000	3.99
6	Ms. Purnima Varshney	2,10,000	4.79
7	Mrs. Anju Devi	1,75,000	3.99
8	Mr. Vivek Varshney	2,10,000	4.79
	<b>Total</b>	<b>43,81,685</b>	<b>100.00</b>

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus are as under:

S.No	Name of the Shareholders	Number of Shares	% age of then Capital
1	Abhey Yograj	300	0.02
2	Praveen Rastogi	471750	37.68
3	Arun Kumar Paransukhaka	200	0.02
4	Amit Kumar Tibriwal	400	0.03
5	Arun Kumar Agarwal	100	0.01
6	Binod Kumar Harnashka	100	0.01
7	Bridhi Chand Banga	100	0.01
8	Brata Nand Singh	300	0.02
9	Bhagwati Preeti Navin	100	0.01
10	Chandra Mouleshwar Prasad	100	0.01
11	Dinesh Chandra Verma	100	0.01
12	Dulli Chand Agarwal	100	0.01
13	H.D.S Malhorta	200	0.02
14	Hansraj Bafna	700	0.06
15	Kanta Rani Bansal	100	0.01
16	Kashav Dev	200	0.02
17	Kedar Nath Prasad	100	0.01
18	Lalita Devi Dalmia	100	0.01
19	Mata Shankar Shukla	200	0.02
20	Madhu Rungta	200	0.02
21	Maya Shankar	200	0.02

S.No	Name of the Shareholders	Number of Shares	% age of then Capital
22	Manu Prasad Srivastava	100	0.01
23	Om Prakash Anupam	100	0.01
24	Mahesh Lal Chaudhary	100	0.01
25	Om Prakash Agarwal	100	0.01
26	Om Prakash Mandra	200	0.02
27	Pramila Devi	100	0.01
28	Promod Kumar	100	0.01
29	Premchand Jain	100	0.01
30	Prabhu Nath Prasad	600	0.05
31	Pawan Kumar Maskara	100	0.01
32	Rai Ram Kumar Sinha	200	0.02
33	Rai Arjun Sinha	100	0.01
34	Ratna Prasad	100	0.01
35	Raj Kumar Sinha	100	0.01
36	Sunita Saha	200	0.02
37	Raj Kumar Sinhha	100	0.01
38	Sudha Tiberiwal	200	0.02
39	Srawan Kumar Tibriwal	200	0.02
40	Sudesh Kumar	100	0.01
41	M/S Eicher Investment (P) Ltd	5000	0.40
42	Swaran Sehgal	200	0.02
43	Saroj Sharma	200	0.02
44	Arvind Kumar	100	0.01
45	Vijay Kumar Panjiyar	200	0.02
46	Prem Lata Somani	200	0.02
47	Ashok Bhatia	100	0.01
48	Roshan Lal Trehan	100	0.01
49	Kapil Dev Prasad	100	0.01
50	Jagdish Chandra Trehan	100	0.01
51	Surinder Kumar Trehan	100	0.01
52	Pankaj Trehan	100	0.01
53	Harvinder Kumar Trehan	100	0.01
54	Nand Kumar Sidana	200	0.02
55	Bishundeo Choudhary	100	0.01
56	Jaishree Rastogi	490860	39.21
57	Usha Aggarwal And Savitri Dev	500	0.04
58	Arun Kr. Garodia & Archna Gorofica	100	0.01
59	Castle Filcon Pvt. Ltd	30000	2.40
60	Riteshwari Trading & Investments Pvt. Ltd	50000	3.99
61	Arrowspase Construction Consultants Pvt. Ltd.	40000	3.20
62	Career Sharpen Services Private Limited	35000	2.80
63	Sunlit Tradex (India) Pvt. Ltd.	15000	1.20

S.No	Name of the Shareholders	Number of Shares	% age of then Capital
64	Ncmc Consultants Pvt. Ltd	12500	1.00
65	Rekha Advertising Pvt. Ltd.	12500	1.00
66	Sahaj E- Solution Pvt. Ltd.	12500	1.00
67	Mittal Telnet Services Pvt. Ltd.	15000	1.20
68	Nirmal Tours Pvt. Ltd	12500	1.00
69	Networth Properties Pvt Ltd	12500	1.00
70	Kmn Consultants Pvt Ltd	12500	1.00
71	Sahaj Realtors Pvt. Ltd	15000	1.20
		<b>1251910</b>	<b>100.00</b>

12. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Prospectus.
13. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Prospectus.
14. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus.
15. Our Company has not raised any bridge loans against the proceeds of this Issue.
16. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 228 of this Prospectus.
17. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.  
Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
18. As on date of filing of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
19. On the date of filing the Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
20. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
21. Lead Manager to the Issue viz. Navigant Corporate Advisors Limited does not hold any Equity Shares of our Company.
22. Our Company has not revalued its assets since incorporation.



23. Our Company has not made any public issue since incorporation.
24. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
25. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.
26. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
27. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
28. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
29. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
30. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
31. Our Company has Eight (8) members as on the date of filing of this Prospectus.



## OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing the equity shares on the NSE Emerge. We believe that the listing of Equity shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India.

### Objects of the Fresh Issue

1. To part finance working capital requirements of the Company;
2. To meet General corporate purposes;
3. To meet the expenses of the Issue.

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

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. In Lacs)

S. No.	Particulars	Amounts
1)	Gross Proceeds	421.20
2)	(Less) Issue related expenses	45.00
3)	<b>Net Proceeds</b>	<b>376.20</b>

### FUND REQUIREMENTS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

(Rs. In lacs)

S. No.	Particulars	Amounts
1)	To part finance working capital requirements of the Company.	301.96
2)	General corporate purposes.	74.24
	<b>Total</b>	<b>376.20</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 fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.





As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page 15 of this Prospectus.

### Schedule of implementation/ Utilization of Issue Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

(Rs. In lacs)

Sr. No.	Particulars	Amount Proposed to be Deployed from Net Proceeds	Estimated Schedule of Deployment of Net Proceeds
			FY 2018-19
1)	To part finance working capital requirements of the Company.	301.96	301.96
2)	General Corporate Purpose	74.24	74.24
	<b>Total</b>	<b>376.20</b>	<b>376.20</b>

### DETAILS OF THE OBJECTS

#### 1. TO PART FINANCE WORKING CAPITAL REQUIREMENTS OF THE COMPANY.

Our Business is a working capital intensive industry. The increasing operations of our company will in turn lead to the increase in the requirement of working capital. The lead time for procuring the products is high and also in order to ensure readily available customized product along with a low lead time for our clients, we enjoy a lower credit period. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy minimum credit from our suppliers through against the same. We intend to increase our turnover over the years for which we would be required to provide extended credit period to our customers, but the credit period that we avail from our suppliers shall not increase substantially. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use Rs. 301.96 lacs out of the issue proceeds to meet the long term working capital requirements.

(Rs. In lacs)

Sr. No.	Particulars	31.03.2017	31.03.2018	31.03.2019
		Audited	Projected	Projected
<b>A.</b>	<b>Current Assets</b>			
	Inventories	330.32	575.00	740.00
	Trade receivables	604.15	875.00	1110.00
	Other current assets	168.02	140.00	150.00
	Cash and bank balances	4.11	5.00	6.00
	<b>Total Current Assets</b>	<b>1106.60</b>	<b>1595.00</b>	<b>2006.00</b>
<b>B.</b>	<b>Current Liabilities</b>			
	Short-term borrowings	339.17	300.00	650.00



Sr. No.	Particulars	31.03.2017	31.03.2018	31.03.2019
		Audited	Projected	Projected
	Trade payable	1.81	-	-
	Other current liabilities	149.67	190.00	246.00
	Short-term provisions	61.49	75.00	80.00
	<b>Total Current Liabilities</b>	<b>552.14</b>	<b>565.00</b>	<b>626.00</b>
C.	<b>Working Capital Gap (A-B)</b>	<b>554.46</b>	<b>1030.00</b>	<b>1030.00</b>
D.	<b>Funding through Owned Funds/ Internal Accurals/ Borrowings</b>	<b>554.46</b>	<b>1030.00</b>	<b>728.04</b>
E.	<b>Working Capital funding through IPO Proceeds</b>	<b>-</b>	<b>-</b>	<b>301.96</b>

As per our estimates we would require Rs. 301.96 lacs out of the issue proceeds to meet the working capital requirements.

*\* To be finalized on determination of Issue Price.*

#### Justification of Holding Level

- **Trade Receivables:**

Trade receivable in financial year 2016-17 is taken as for 38 days. Trade receivables are projected for 45 days in financial year 2017-18 & 2018-19.

- **Creditors:**

Creditors in financial year 2016-17 are taken as of 12 days. Creditors are projected for 10 days which is in accordance with last trend in financial year 2017-18 & 2018-19.

- **Inventory:**

Inventory levels for fiscal 2018 are estimated at 30 days which is accordance with requirement of our trade and justifiable.

## 2. TO FINANCE THE GENERAL CORPORATE PURPOSE.

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. 74.24 Lacs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Net Proceeds of the Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

- Renovation and modernization of our manufacturing facilities;
- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans; and
- Ongoing general corporate purposes or exigencies, as approved by the Board, subject to compliance with applicable law.

The allocation or quantum of utilization of funds towards the specific purposes described above will be



determined by our Board, based on our business requirements and other relevant considerations, from time to time.

## ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 45 Lacs.

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, Underwriting Fees selling commissions, brokerages, Payment to other intermediaries such as Legal Advisors, Registrars etc.	25.00	55.56	5.94
Market Making Fees for three years	10.00	22.22	2.37
Printing & Stationery, Distribution, Postage, etc.	2.00	4.44	0.47
Advertisement & Marketing Expenses	2.00	4.44	0.47
Regulatory & other expenses	3.00	6.67	0.71
Miscellaneous Expenses	3.00	6.67	0.71
<b>Total</b>	<b>45.00</b>	<b>100.00</b>	<b>10.67</b>

## Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 31<sup>st</sup> January, 2018 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. PMAS & Associates LLP, Chartered Accountants pursuant to their certificate dated 28<sup>th</sup> February, 2018 is given below:

Deployment of funds	Amount (Rs. In Lacs)
Issue Related Expenses	7.00
<b>Total</b>	<b>7.00</b>

Sources of funds	Amount (Rs. In Lacs)
Internal Accruals	7.00
Bank Finance	-
<b>Total</b>	<b>7.00</b>

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may borrow such amounts, as may be required, from other lenders until the completion of the Issue. Further, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue. Any amount that is borrowed from lenders or drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds of the Issue.

## APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures,



changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

#### **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs. 10,000 lacs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Prospectus.

#### **CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY**

No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

#### **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice<sup>□</sup>) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.



## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is Rs.10/- and Issue Price is Rs.26/- per Equity Shares i.e. 2.6 times the face value.

Investors should read the following summary with the “Risk Factors” beginning from page 15 of this Prospectus, section titled “Our Business” beginning from page 110 and “Financial Information” beginning from page 149 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

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

- 1) Experienced Promoters and a well trained employee base** - Our promoters are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Industry knowledge and understanding also gives us the key competitive advantage, enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a management team with several years of experience in their respective domains of sales, marketing, strategy and finance.
- 2) Strategic Location of our manufacturing facilities** -Our Manufacturing Facilities is strategically located near the source of raw materials to ensure cost savings and optimum logistic benefits. Our Manufacturing plant is situated in Utrakhand where direct contact with the farmers are established.
- 3) Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services and technology development.
- 4) Quality Assurance and Standards:** Our Company believes in the quality in our process and products. We are committed to maintain quality at all steps of the processing chain upto dispatch of finished products. Our dedicated team ensures the compliance with good practices. We give prime focus to providing quality products to our customers and follows high quality standards.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2015, 2016, 2017 and for the period ended 31<sup>st</sup> December, 2017 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### I. Basic Earnings per Share (EPS) (on Face value of Rs. 10 per share) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2015	0.37	1
March 31, 2016	0.88	2
March 31, 2017	1.11	3
<b>Weighted average</b>	<b>0.91</b>	
<b>Audited period ended 31.12.2017 (Not Annualised)</b>	<b>1.82</b>	



- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

## II. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 26 per Equity Share of Rs. 10 each fully paid up.

- Based on Nine Months (9) months ended as on 31st December, 2017; at EPS of Rs. 1.82 as per Restated Financial Statements, the P/E ratio is 14.29.
- Based on fiscal year as on 31<sup>st</sup> March, 2017; at EPS of Rs. 1.11 as per Restated Financial Statements, the P/E ratio is 23.42.
- Based on weighted average EPS of Rs. 0.91 as per Restated Financial Statements, the P/E ratio is 28.57.
- Industry PE\*:

Particulars	P/E Ratio
Lowest	8.39
Highest	24.65
Average	16.52

\*Source: <http://www.moneycontrol.com/stocks/marketinfo/eps/bse/aquaculture.html>

## III. Return on Net worth (RoNW)

Year Ended	RoNW (%)	Weight
March 31, 2015	5.37	1
March 31, 2016	3.17	2
March 31, 2017	8.60	3
<b>Weighted Average</b>	<b>6.25</b>	
for Audited Financials period ended 31.12.2017 (Not Annualised)	<b>10.47</b>	

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

## IV. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2017 is 6.36 % on restated financial Statements.

## V. Net Asset Value per Equity Shares (NAV)

Particulars	Amount (In Rs.) On the basis of Financial Statements
Net Asset Value per Equity Share as of March 31, 2017	12.92
Net Asset Value per Equity Share as of December 31, 2017	14.44
Net Asset Value per Equity Share after the Issue	17.46
Issue Price per equity share	26



Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.

## VI. Comparison with other listed companies

There are listed companies in India in the trading of foodgrains and other agriculture products with one or more business segments common to ours and these are as given below:

Companies	EPS#	PE Ratio	RoNW %	NAV (Per Share)	Face Value (Rs. Per share)	Total Income (Rs. In Lacs)	PAT (Profit for the year)
Continental Seeds and Chemicals Limited <sup>1</sup>	1.11	11.64	8.60	12.92	10	5,824.94	48.70
Continental Seeds and Chemicals Limited <sup>2</sup>	1.82	7.94	10.47	14.44	10	5764.67	66.21
<b>Peer Group*</b>							
Mangalam Seeds Limited (on Standalone basis)	5.98	25.50	13.18	42.86	10	3023.66	312.27
Camson Seeds Limited (on Standalone basis)	(1.72)	(13.75)	(7.26)	23.65	10	1552.62	(515.23)

(1. Based on March 31, 2017 restated financial statements)

(2. Based on December 31, 2017 restated financial statements)

Source: [www.bseindia.com](http://www.bseindia.com) and Annual Report for the year ended March 31, 2017 and for calculating PE ratio, closing market price as on 31.03.2017 or latest trading date prior to 31.03.2017 is considered.

The Company in consultation with the Lead Managers and after considering various valuation fundamentals including Book Value and other relevant factors, believes that Issue price of Rs. 26 per Equity Share for the Public Issue is justified in view of the above parameters.

For further details refer to the section titled “**Risk Factors**” beginning on page 15 and the financials of the Company including profitability and return ratios, as set out in the section titled “**Financial Information**” beginning on page 149 of this Prospectus for a more informed view.



## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
Continental Seeds and Chemicals Limited  
Lower Ground Floor,  
Plot No. 38 Okhla Phase 3,  
South Delhi, New Delhi 110020

**Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VIII-Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009, as amended (the "Regulations")**

We hereby report that the enclosed annexure prepared by Continental Seeds and Chemicals Limited, states the possible special tax benefits available to Continental Seeds and Chemicals Limited ("the Company") and the shareholders of the Company under the Income Tax Act, 1961 ("Act"), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, 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 and 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 proposed initial public offering of equity shares ("the Offer") by the Company.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For PMAS & Associates LLP.**

**Chartered Accountants**

Sd/-

**Mohit Rastogi**

**Partner**

**Membership No. - 514835**

**FRN No. 024726N**

Place: Delhi;

Date: 06.12.2017





## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS:**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult 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.

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

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

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

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

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

Note:

1.All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

2.The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



## SECTION IV

### ABOUT OUR COMPANY

#### INDUSTRY OVERVIEW

*(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” on page 15 of this Prospectus. Accordingly, investment decisions should not be based on such information)*

#### INDUSTRY OVERVIEW

##### Global Economic Overview

The pickup in global growth anticipated in the April World Economic Outlook remains on track, with global output projected to grow by 3.5 percent in 2017 and 3.6 percent in 2018. The unchanged global growth projections mask somewhat different contributions at the country level. U.S. growth projections are lower than in April, primarily reflecting the assumption that fiscal policy will be less expansionary going forward than previously anticipated. Growth has been revised up for Japan and especially the euro area, where positive surprises to activity in late 2016 and early 2017 point to solid momentum. China’s growth projections have also been revised up, reflecting a strong first quarter of 2017 and expectations of continued fiscal support. Inflation in advanced economies remains subdued and generally below targets; it has also been declining in several emerging economies, such as Brazil, India, and Russia.

While risks around the global growth forecast appear broadly balanced in the near term, they remain skewed to the downside over the medium term. On the upside, the cyclical rebound could be stronger and more sustained in Europe, where political risk has diminished. On the downside, rich market valuations and very low volatility in an environment of high policy uncertainty raise the likelihood of a market correction, which could dampen growth and confidence. The more supportive policy tilt in China, especially strong credit growth, comes with rising downside risks to medium-term growth. Monetary policy normalization in some advanced economies, notably the United States, could trigger a faster-than-anticipated tightening in global financial conditions. And other risks discussed in the April 2017 WEO, including a turn toward inward-looking policies and geopolitical risks, remain salient.

Projected global growth rates for 2017-18, though higher than the 3.2 percent estimated for 2016, are below pre-crisis averages, especially for most advanced economies and for commodity-exporting emerging and developing economies. Among the former, many face excess capacity as well as headwinds to potential growth from aging populations, weak investment, and slowly advancing productivity. In view of weak core inflation and muted wage pressures, policy settings should remain consistent with lifting inflation expectations in line with targets, closing output gaps, and—where appropriate—external rebalancing. Reforms to boost potential output are of the essence, and slow aggregate output growth makes it even more important that gains are shared widely across the income distribution. Financial stability risks need close monitoring in many emerging economies. Commodity exporters should continue adjusting to lower revenues, while diversifying their sources of growth over time.

##### The Global Economy Maintains Momentum

The cyclical recovery continues. Growth outturns in the first quarter of 2017 were higher than the April WEO forecasts in large emerging and developing economies such as Brazil, China, and Mexico, and in several advanced economies including Canada, France, Germany, Italy, and Spain. High-frequency indicators for the second quarter provide signs of continued strengthening of global activity. Specifically, growth in global trade and industrial production remained well above 2015-16 rates despite retreating from the very strong pace registered in late



2016 and early 2017. Purchasing managers' indices (PMIs) signal sustained strength ahead in manufacturing and services.

Commodities and inflation. Oil prices have receded, reflecting strong inventory levels in the United States and a pickup in supply. Headline inflation also generally softened as the impact of the commodity price rebound of the second half of 2016 faded, and remains at levels well below central bank targets in most advanced economies. Core inflation has remained broadly stable. It has largely been stable in emerging economies as well, with a few, such as Brazil and Russia, witnessing strong declines.

Bond and equity markets. Long-term bond yields in advanced economies, which had declined since March, rebounded in late June and early July. The U.S. Federal Reserve raised short-term interest rates in June, but markets still expect a very gradual path of U.S. monetary policy normalization. Bond spreads over Germany have compressed sharply in France, Italy, and Spain on reduced electoral uncertainty and firming signs of recovery. Equity prices in advanced economies remain strong, signaling continued market optimism regarding corporate earnings. Markets are also optimistic about emerging market prospects as reflected in strengthening equity markets and some further compression of interest rate spreads. Oil exporters provide an exception to this pattern, in light of the marked weakening of oil prices since March.

Exchange rates and capital flows. As of end-June, the U.S. dollar has depreciated by around 3½ percent in real effective terms since March, while the euro has strengthened by a similar amount on increased confidence in the euro area recovery and a decline in political risk. Over the same period, exchange rate changes across emerging market currencies have been relatively modest, with some strengthening of the Mexican peso on tighter monetary policy and reduced concerns about U.S. trade frictions, and a depreciation of the Brazilian real on renewed political uncertainty. Capital flows to emerging economies have been resilient in the first few months of 2017, with a notable pickup in non-resident portfolio inflows.

### **Global Growth Forecast to Pick up in 2017 and 2018**

Global growth for 2016 is now estimated at 3.2 percent, slightly stronger than the April 2017 forecast, primarily reflecting much higher growth in Iran and stronger activity in India following national accounts revisions. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate in 2017, to 2 percent and 4.6 percent respectively, with global growth projected to be 3.5 percent, unchanged from the April forecast. The growth forecast for 2018 is 1.9 percent for advanced economies, 0.1 percentage point below the April 2017 WEO, and 4.8 percent for emerging and developing economies, the same as in the spring. The 2018 global growth forecast is unchanged at 3.6 percent. The revisions reflect primarily the macroeconomic implications of changes in policy assumptions for the world's two largest economies, the United States and China, as discussed below.

#### **Advanced economies**

- The growth forecast in the United States has been revised down from 2.3 percent to 2.1 percent in 2017 and from 2.5 percent to 2.1 percent in 2018. While the markdown in the 2017 forecast reflects in part the weak growth outturn in the first quarter of the year, the major factor behind the growth revision, especially for 2018, is the assumption that fiscal policy will be less expansionary than previously assumed, given the uncertainty about the timing and nature of U.S. fiscal policy changes. Market expectations of fiscal stimulus have also receded.
- The growth forecast has also been revised down for the United Kingdom for 2017 on weaker-than-expected activity in the first quarter.
- By contrast, growth projections for 2017 have been revised up for many euro area countries, including France, Germany, Italy, and Spain, where growth for the first quarter of 2017 was generally above expectations. This, together with positive growth revisions for the last quarter of 2016 and high-frequency



indicators for the second quarter of 2017, indicate stronger momentum in domestic demand than previously anticipated.

- The growth forecast for 2017 was also revised up for Canada, where buoyant domestic demand boosted first-quarter growth to 3.7 percent and indicators suggest resilient second-quarter activity, and marginally for Japan, where private consumption, investment, and exports supported first-quarter growth.

## Emerging and developing economies

Emerging and developing economies are projected to see a sustained pickup in activity, with growth rising from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.8 percent in 2018. These forecasts reflect upward revisions, relative to April, of 0.2 percentage point for 2016, and 0.1 percentage point for 2017. As in the most recent WEO forecast vintages, growth is primarily driven by commodity importers, but its pickup reflects to an important extent gradually improving conditions in large commodity exporters that experienced recessions in 2015-16, in many cases caused or exacerbated by declining commodity prices.

- **China's** growth is expected to remain at 6.7 percent in 2017, the same level as in 2016, and to decline only modestly in 2018 to 6.4 percent. The forecast for 2017 was revised up by 0.1 percentage point, reflecting the stronger than expected outturn in the first quarter of the year underpinned by previous policy easing and supply-side reforms (including efforts to reduce excess capacity in the industrial sector). For 2018, the upward revision of 0.2 percentage point mainly reflects an expectation that the authorities will delay the needed fiscal adjustment (especially by maintaining high public investment) to meet their target of doubling 2010 real GDP by 2020. Delay comes at the cost of further large increases in debt, however, so downside risks around this baseline have also increased.
- **Growth in India** is forecast to pick up further in 2017 and 2018, in line with the April 2017 forecast. While activity slowed following the currency exchange initiative, growth for 2016--at 7.1 percent--was higher than anticipated due to strong government spending and data revisions that show stronger momentum in the first part of the year. With a pickup in global trade and strengthening domestic demand, growth in the ASEAN-5 economies is projected to remain robust at around 5 percent, with generally strong first quarter outturns leading to a slight upward revision for 2017 relative to the April WEO.
- **In Emerging and Developing Europe**, growth is projected to pick up in 2017, primarily driven by a higher growth forecast for Turkey, where exports recovered strongly in the last quarter of 2016 and the first quarter of 2017 following four quarters of moderate contraction, and external demand is projected to be stronger with improved prospects for euro area trading partners. The Russian economy is projected to recover gradually in 2017 and 2018, in line with the April forecast.
- After contracting in 2016, economic activity in **Latin America** is projected to recover gradually in 2017-18 as a few countries--including Argentina and Brazil--exit their recessions. In comparison to the April 2017 WEO, Brazil's growth forecast for 2017 is now higher in light of the strong first quarter, but ongoing weakness in domestic demand and an increase in political and policy uncertainty will be reflected in a more subdued pace of recovery, and hence in lower projected growth in 2018. Mexico's growth forecast for 2017 is revised up from 1.7 to 1.9 percent on the back of strong activity in the first quarter of the year, with an unchanged forecast for 2018. Revisions for the rest of the region are mostly to the downside, including a further deterioration of conditions in Venezuela.
- Growth in the **Middle East, North Africa, Afghanistan, and Pakistan** region is projected to slow considerably in 2017, reflecting primarily a slowdown in activity in oil exporters, before recovering in 2018. The 2017-18 forecast is broadly unchanged relative to the April 2017 WEO, but the growth outcome in 2016 is estimated to have been considerably stronger in light of higher growth in Iran. The recent decline in oil prices, if sustained, could weigh further on the outlook for the region's oil exporters.
- In **Sub-Saharan Africa**, the outlook remains challenging. Growth is projected to rise in 2017 and 2018, but will barely return to positive territory in per capita terms this year for the region as a whole--and would



remain negative for about a third of the countries in the region. The slight upward revision to 2017 growth relative to the April 2017 WEO forecast reflects a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to better rainfall and an increase in mining output prompted by a moderate rebound in commodity prices. However, the outlook for South Africa remains difficult, with elevated political uncertainty and weak consumer and business confidence, and the country's growth forecast was consequently marked down for 2018.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2017/07/07/world-economic-outlook-update-july-2017>)

## Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

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

## Road Ahead

According to The World Bank, the Indian economy will likely grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19.

Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run, according to Ms Kristalina Georgieva, Chief Executive Officer, The World Bank.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. Also, the Prime Minister, Mr. Narendra Modi has stated that India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures.

Exchange Rate Used: INR 1 = US\$ 0.01536 as on March 28, 2017

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

## Market size

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.



The tax collection figures between April 2016 and January 2017 show an increase in Net Indirect taxes by 16.9 per cent and an increase in Net Direct Taxes by 10.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million. Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves stood at US\$ 366.781 billion as on March 17, 2017 as compared to US\$ 360 billion by end of March 2016, according to data from the RBI.

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

Growth in FY2017 (ending 31 March 2018) is expected to be lower than forecast in the Asian Development Outlook 2017 as a new tax regime poses transitory challenges to firms and as investment by state governments and private investors remain muted. A pickup is envisaged in FY2018, aided by restructured bank balance sheets and efficiency gains from the new tax regime, but growth will again fall short of the April forecast. Stronger agriculture will ease inflation by more than expected in FY2017 and FY2108. Current account projections are unchanged.

## Economic forecasts for South Asian countries

	GDP growth (%, year)	Inflation (%, year)	Current account balance (% of GDP)
Country			
		2017 <sup>f</sup>	2018 <sup>f</sup>
Afghanistan		2.5	3.0
Bangladesh		7.2	6.9
Bhutan		6.9	8.0
India		7.0	7.4
Maldives		4.2	4.4
Nepal		6.9	4.7
Pakistan		5.3	5.5
Sri Lanka		4.5	5.0
Average		6.7	7.0

<sup>f</sup> = forecast number.

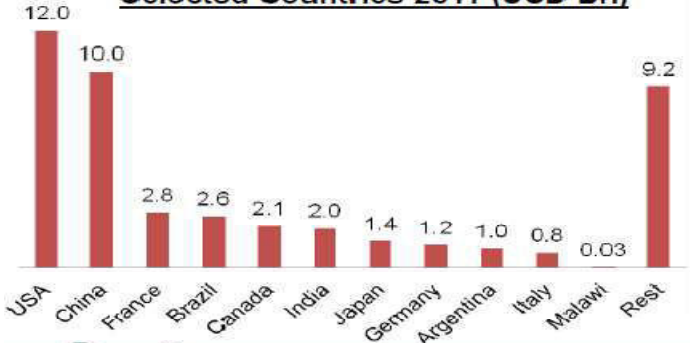
(Source: <https://www.adb.org/countries/india/economy>)

**PROGRESSION OF INDIAN SEED INDUSTRY**

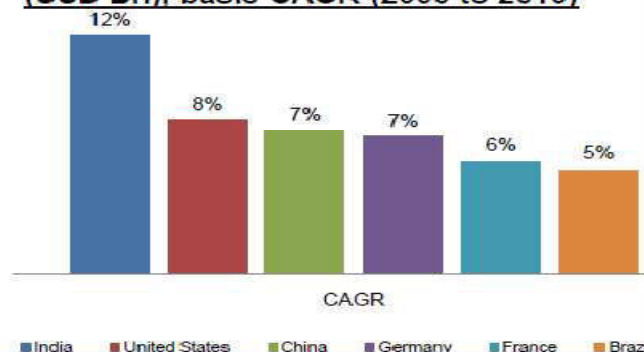
**Global Seed Market**

- ❑ Total Market Size: USD 45 Billion, growing at a CAGR of 5%
- ❑ India ranks 6<sup>th</sup> in global market with USD 2.7 Billion, growing at a CAGR of 12%
- ❑ Malawi seed market with USD 0.3 Bn

**Estimated Value of Global Seed Market in Selected Countries 2011 (USD Bn)**



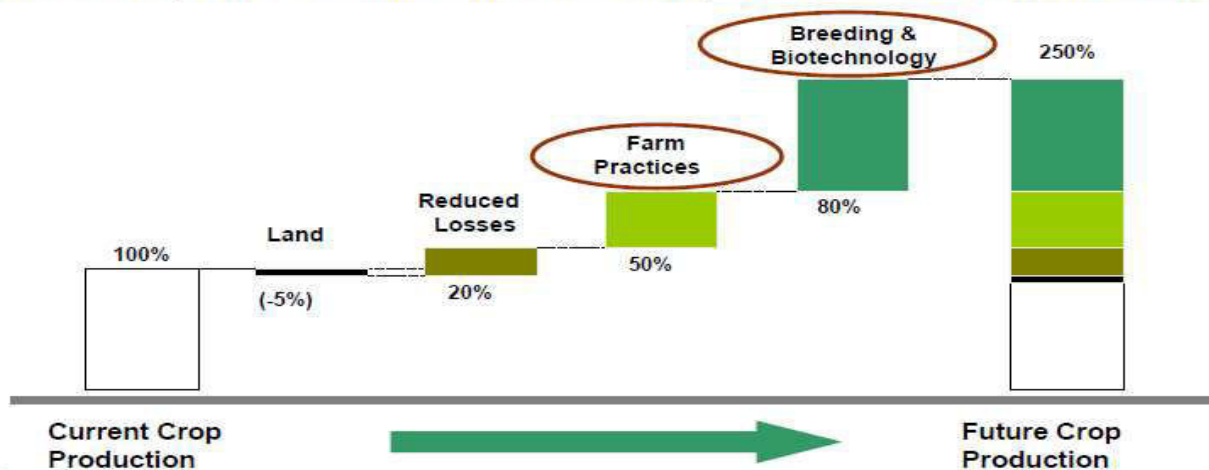
**Fast growing countries in Seed market (USD Bn), basis CAGR (2000 to 2010)**



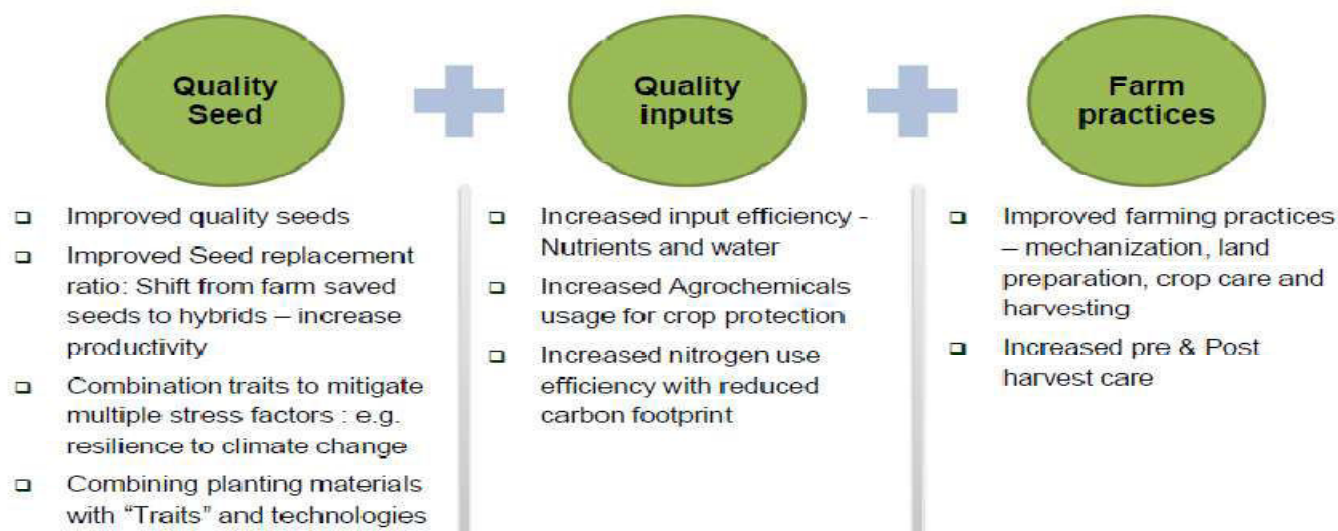
**World Food Production needs (2020 and beyond)**

- ❑ Global Population will reach 9 bn by 2050 requiring twice the food to be produced from constant land area
  - ❑ Need for productivity and increasing pressure on profit is putting pressure on sustainability

*If world were to produce 2.5 times of current food, this is how the contributors will be*



## More production from less land can be accomplished only with combination of...



*Use of quality seeds alone could increase productivity by 15-20% - indicates the critical role of seed in agriculture....*

## What transformed the seed sector globally?

### Research & Development

- Increased investment in R&D by private sector
- Combining discoveries in biology and information technology – sequencing – genomics selection and molecular breeding supported by high-throughput genotyping and phenotyping
- Few companies and public institutions engaged in gene discovery, providing access to major and minor genes to others for adoption in their germplasm

### Products

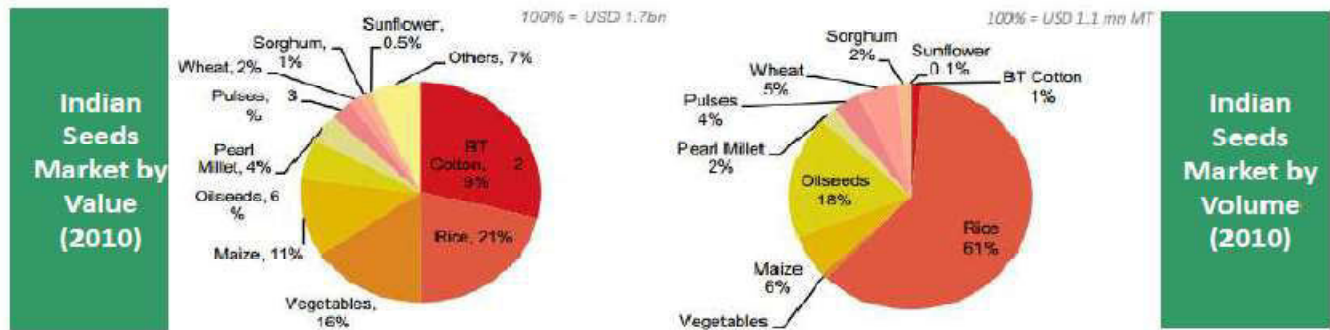
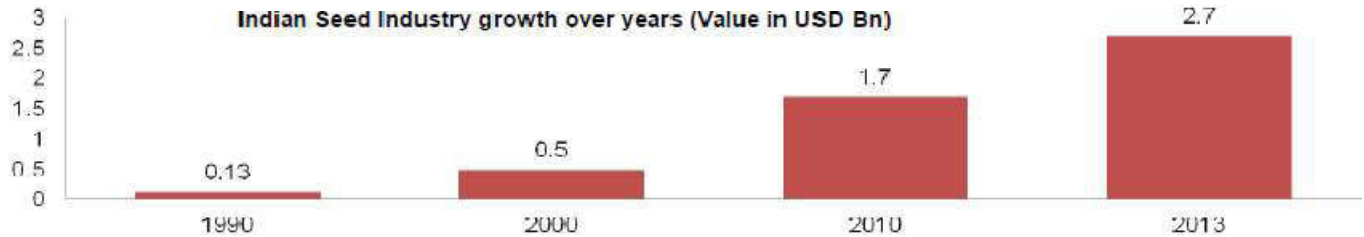
- Rapid discoveries and conversion of discoveries to deliverables products
- Protection to gene discoveries through patenting accelerated corporate investment in gene discovery, complementing public investment in crop genetics
- Growing use of hybrid seed with several technological components (e.g. seed coatings)

### Market and regulations

- Growing international trade for fresh and processed food & FDI
- Trade and capital flows across countries
- Increasing number of favorable regulations
- Increasing number of multinational companies



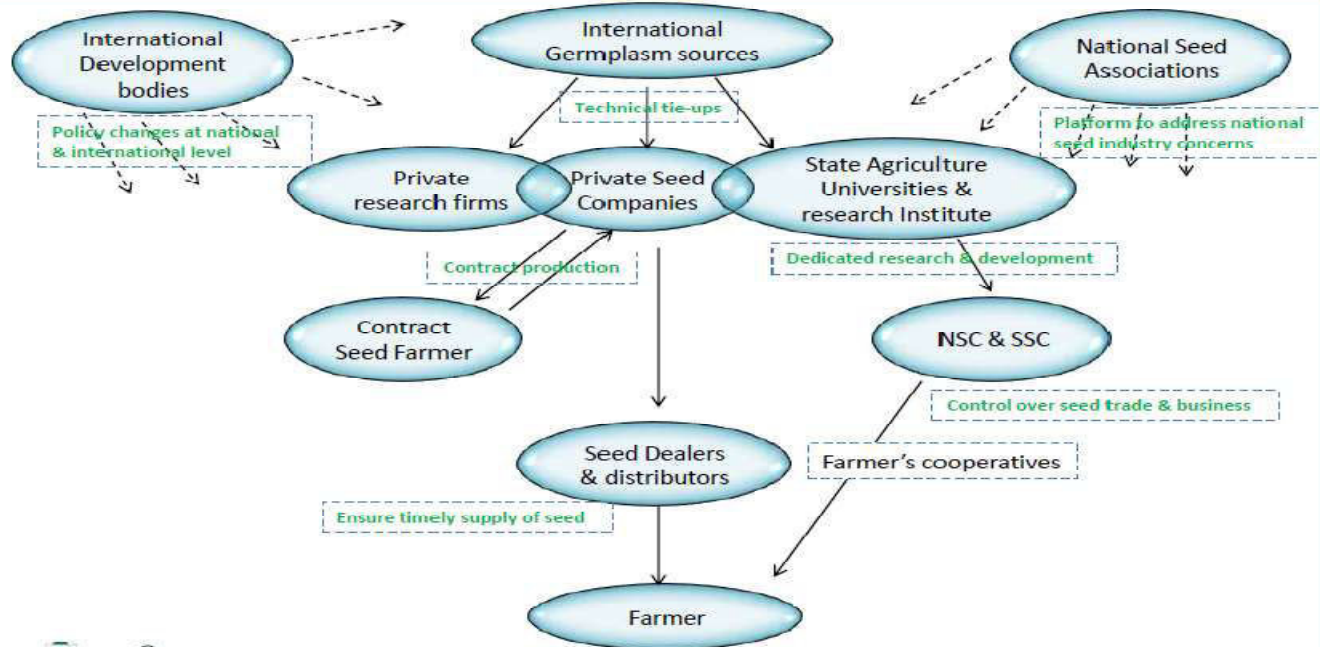
## Indian Seed Market: Size



**1990s** Farm saved seed: 90%, Commercial seed: 10%  
Public bred hybrids (18%), open pollinated varieties (58%), proprietary hybrids (14% of market value)

**2000s** Farm saved seed: 75%, Commercial seed: 25%  
Public bred hybrids (11%), open pollinated varieties (61%), proprietary hybrids (28% of market value 2000)

## Seed Value Chain: Stakeholders



## Product related Intervention: Quality certification standards

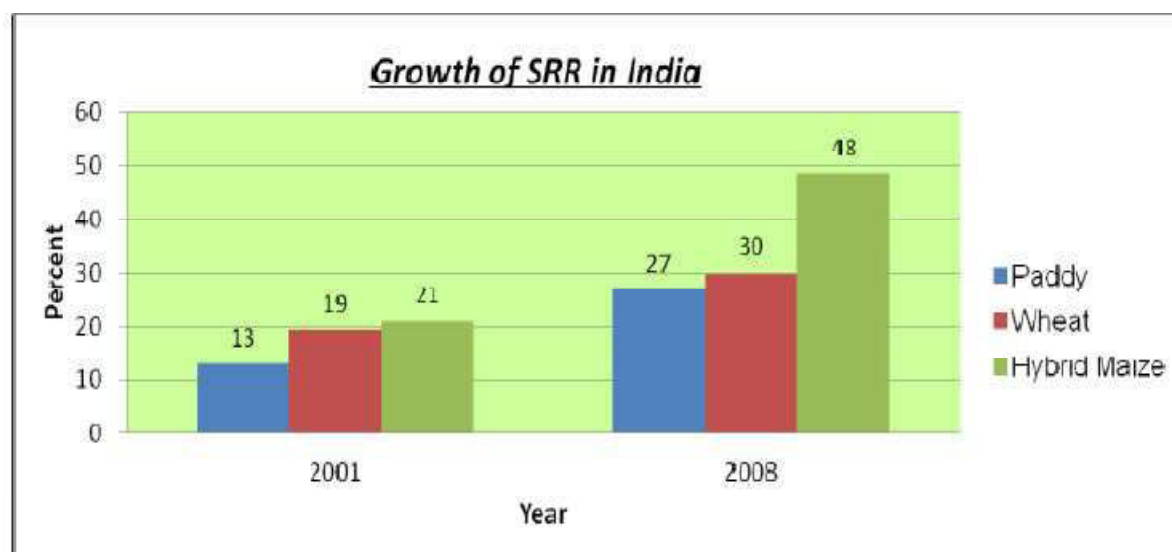


## Product related Intervention: Quality certification standards

Requirements	Wheat		Paddy		Barley		Maize		Sorghum		Pearl millet	
	F.S	C.S	F.S	C.S	F.S	C.S	F.S	C.S	F.S	C.S	F.S	C.S
Pure seed (min.)	98	98	98	98	98	98	98	98	98	98	98	98
Inert matter (max.)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other crop seed (OCS) (max.)	10 / kg	20 / kg	10 / kg	20 / kg	10 / kg	20 / kg	10 / kg	20 / kg	5/Kg	10/Kg	10 / kg	20 / kg
Total Weed seeds	10 / kg	20 / kg	10 / kg	20 / kg	10 / kg	20 / kg	10/Kg	20/Kg	5 / kg	10 / kg	10 / kg	20 / kg
Obj. weed seeds (max.)	2 / kg	5 / kg	2 / kg	5 / kg	10 / kg	20 / kg	None	None	10 / kg	20 / kg	None	None
Germination (incl. H.S)	85	85	80	80	85	85	90	90	75	75	75	75
Moisture (max.)	12.0	12.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Vapour proof	8.0	8.0	8.0	8.0	8.0	8.0	8.0	3.0	8.0	8.0	8.0	8.0

F.S.= Foundation Seed

## Product related Intervention: SRR improvement



**SRR over a decade has almost doubled for most of the crops**

Vegetable seed opportunity witnesses high replacement of varieties to hybrids

- Seed Quality regulations to avoid chances of spurious seed business
- Seed village program to strengthen & improve farm saved seed quality
- Voluntary certification
- Distribution channel establishment to improve seed availability
- Awareness programs by Krishi Vigyan Kendra's and Agriculture Extension officials

(Source: [http://aginnovation.org/malawi/workshop/Progression-of-Indian-Seed-Industry\\_Mr.%20Venugopal-Chintada.pdf](http://aginnovation.org/malawi/workshop/Progression-of-Indian-Seed-Industry_Mr.%20Venugopal-Chintada.pdf))

## OVERVIEW OF AGRICULTURE INDUSTRY

### Introduction

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is estimated to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in



India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

### Market Size

India's GDP is expected to grow at 7.1 per cent in FY 2016-17, led by growth in private consumption, while agriculture GDP is expected to grow above-trend at 4.1 per cent to Rs 1.11 trillion (US\$ 1,640 billion).\$ It ranks third in farm and agriculture outputs. As per the 2nd Advance Estimates, India's food grain production is expected to be 271.98 MT in 2016-17. Wheat production in India is expected to touch an all-time high of 96.6 MT during 2016-17.! Production of pulses is estimated at 22.14 MT.

India has been the world's largest producer of milk for the last two decades and contributes 19 per cent of the world's total milk production.++

India is emerging as the export hub of instant coffee which has led to exports of coffee reaching 177,805 tonnes valued at US\$ 447 million between April-August 2017, as against 162,641 tonnes valued at US\$ 363.1 million during the same period last year.

India topped the list of shrimp exporters globally, as the value-added shrimp exports rose 130 per cent year-on-year to 23,400 tonnes in 2016.

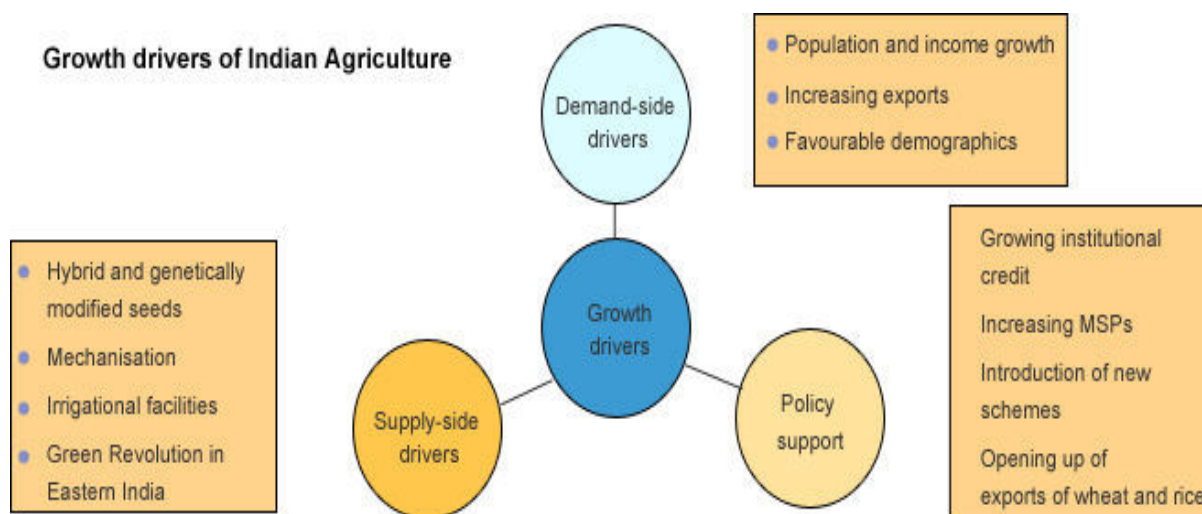
The production of food grains in India reached a record 275.68 million tonnes (MT) during FY 2016-17, as per the Fourth Advance Estimates (AE) released by the Department of Agriculture, Cooperation and Farmers Welfare, Government of India.

The total sown area for kharif crops was 68.53 million hectares as on July 2017, compared to 67.34 million hectares on July, 2016.

India is the second largest fruit producer in the world. India's horticulture output, is estimated to be 287.3 million tonnes (MT) in 2016-17 after the first advance estimate.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. India's exports of basmati rice may rise to Rs 22,000-22,500 crore (US\$ 3.42-3.49 billion), with volume to around 4.09 MT in 2017-18, backed by a rise in average realisations.# Groundnut exports from India are expected to cross 700,000 tonnes during FY 2016-17 as compared to 537,888 tonnes during FY 2015-16, owing to the expected 70 per cent increase in the crop size due to good monsoons. India's groundnut exports rose to 653,240 MT during April 2016-February 2017.@ India is the largest producer, consumer and exporter of spices and spice products. Spices exports from India grew by 9 per cent in volume and 5 per cent in value year-on-year to 660,975 tonnes and US\$ 1.87 billion respectively, during April-December 2016.^

The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020@@.



(Source: [www.ibef.org](http://www.ibef.org))

## Investments

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2.45 billion and the food processing sector has attracted around US\$ 7.81 billion during April 2000 to June 2017.

Some major investments and developments in agriculture are as follows:

- India and Brazil have signed a bilateral investment agreement, aimed at enhancing cooperation in areas of agriculture, cattle genomics, ship building, pharmaceuticals, defence production, ethanol production and oil and gas, between the countries.
- Parle Agro Pvt Ltd is launching Frooti Fizz, a succession of the original Mango Frooti, which will be retailed across 1.2 million outlets in the country as it targets increasing its annual revenue from Rs 2800 crore (US\$ 0.42 billion) to Rs 5000 crore (US\$ 0.75 billion) by 2018.
- Zephyr Peacock, the India-focused private equity fund of US-based Zephyr Management, has invested an undisclosed amount in Bengaluru-based potato seeds firm Utkal Tubers India Pvt Ltd, which will be used to produce high-quality mini-tubers in a tissue culture laboratory and multiply them in its own development farms and through supervised contract farming in different regions of the country.
- US-based food company Cargill Inc, aims to double its branded consumer business in India by 2020, by doubling its retail reach to about 800,000 outlets and increase market share to become national leader in the sunflower oil category which will help the company be among the top three leading brands in India.
- Danone SA plans to focus on nutrition business in India, its fastest growing market in South Asia, by launching 10 new products in 2017, and aiming to double its revenue in India by 2020.

## Road Ahead

India is expected to achieve the ambitious goal of doubling farm income by 2022.\*@ The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient

in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

India's gross value added (GVA) at basic prices increased by 5.7 per cent during the April-June 2017 quarter, driven by agriculture and government spending. GVA from agriculture, forestry and fishing sector grew 2.5 per cent in this quarter.

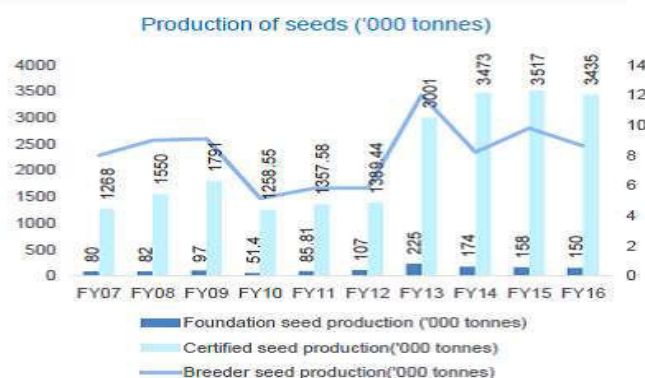
The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16.

(Source: [www.ibef.org](http://www.ibef.org))

## HISTORY OF SEEDS INDUSTRY IN INDIA

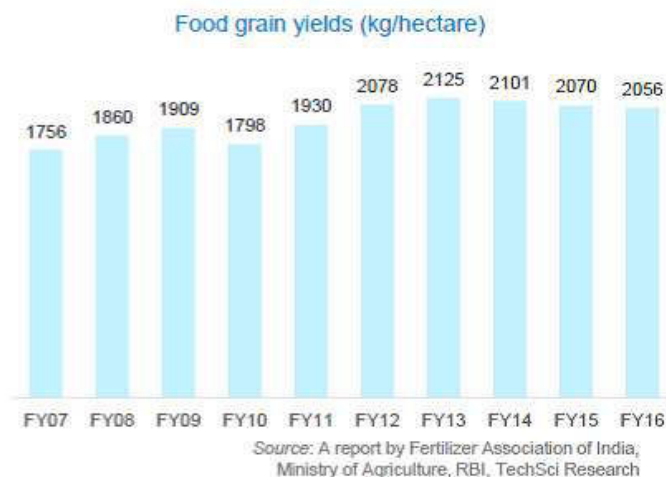
### GROWING YIELD AND USE OF QUALITY SEEDS ... (1/2)

- \* In FY16, production of foundation seeds reached 149,542 tonnes from 74,800 tonnes in FY06.
- \* There has been strong growth in the use of hybrid seeds due to their high yield and resistance.
- \* Usage of hybrid seeds has been more prevalent in cash crops than food crops.
- \* In FY16, production of certified seeds increased to 3.4 million tonnes from 1.4 million tonnes in FY06.



### GROWING YIELD AND USE OF QUALITY SEEDS ... (2/2)

- \* Usage of hybrid seeds has boosted the yield of food grains to 2,056 kg/ hectare in FY16 from 1,756 kg/ hectare in FY07
- \* The government has been playing a proactive role in promoting greater use of hybrid seeds; it encourages private seed companies by providing a subsidy of 25 per cent of the capital cost subject to a maximum of USD50,000 per unit
- \* The government of India has targeted production of 270.1 million tonnes (MT) of food grains for FY17



(Source: <https://www.ibef.org/download/Agriculture-May-2017.pdf>)



## Seed Industry in India: Market Trends, Structure, Growth, Key Players and Forecast

The agricultural sector is highly dependent on the availability and quality of seeds for a productive harvest. Therefore, in order to increase the quantity and quality of produce, efforts are made to introduce enhanced varieties of seeds with the help of advance technology and modern agricultural methods. In India, agriculture is the dominant occupation, which secures abundant opportunities for seeds market in the region. According to IMARC Group's latest report titled, "Seed Industry in India: Market Trends, Structure, Growth, Key Players and Forecast 2017-2022", the Indian seeds market reached a value of more than US\$ 3 Billion in 2016, exhibiting a CAGR of around 17% during 2009-2016.

The Indian seed market has witnessed a major restructuring as a result of the implementation of some progressive policies by the government. Seed Development, 1988 and National Seed Policy, 2002 have helped in strengthening the Indian seed industry in the areas of R&D, product development, supply chain management and quality assurance. Owing to this, India has emerged as the fifth largest seed market across the globe. Moreover, the active participation of both, public and private sectors has also played a vital role in laying a strong foundation of the industry. This includes launching initiatives to promote the use of hybrid seeds among the farmers who had earlier used outmoded open pollinated varieties. Some other growth-inducing forces, such as growth in income levels, commercialization of agriculture, patent protection systems and intellectual rights over plant varieties, have given a great push to the market. Owing to these factors, the Indian seeds market is further expected to grow at a CAGR of more than 15% during 2017-2022, reaching a value of more than US\$ 7 Billion by 2022.

(Source: [https://www.researchandmarkets.com/research/ffc43l/seed\\_industry\\_in](https://www.researchandmarkets.com/research/ffc43l/seed_industry_in))



## OUR BUSINESS

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

*In this section, a reference to the “Company” means Continental Seeds and Chemicals Limited. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for financial year ended March 31, 2017, 2016, 2015, 2014 and 2013 and for period ended on 31st December, 2017 included in this Prospectus on page 149.*

### OVERVIEW

Our Company was originally incorporated at New Delhi as “Terai Beej Private Limited” on 22nd June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Terai Beej Limited” and fresh certificate of incorporation dated 7th May, 1986 was issued by the Asstt. Registrar of Companies, Delhi & Haryana. Subsequently, the name of the Company was changed to “Continental Seeds and Chemicals Limited” vide Fresh Certificate of Incorporation dated 8th May, 1986 issued by Addl. Registrar of Companies, Delhi & Haryana.

In the year 1983, Capt. Vijay Neil Kumar and Mr. Abhey Yograj laid the foundation of our Company as a private limited Company in the name of M/s Terai Beej Private Limited and in December, 2011, Our Present Promoter i.e. Mr. Praveen Rastogi took the control of our Company from erstwhile promoters.

Our Company is engaged in the business of developing, processing, grading and supplying of all kind of agricultural foundation and certified seeds and trading of Mentha Oil. Our Company is engaged in the whole process of processing in varieties of seeds, foundation seed and processing of the same into certified seeds. Seed processing is a vital part of the seed production needed to move the improved genetic materials of the plant breeder into commercial channels for feeding the rapidly expanding world population. The farmer must get the quality seed that is free from all undesired materials because farmer’s entire crop depends on it.

Seed can seldom be planted in the condition in which it comes from the growers. In fact, many seed lots contain weed or crop seed or inert material that make them unfit for sale without processing. Crop seed also frequently have stems, awns, clusters or other structures, which prevent from flowing through the drill freely.

Our Company also obtains seed certification certificate from Uttarakhand State Seed and Organic Production Certification Agency from time to time for our products.

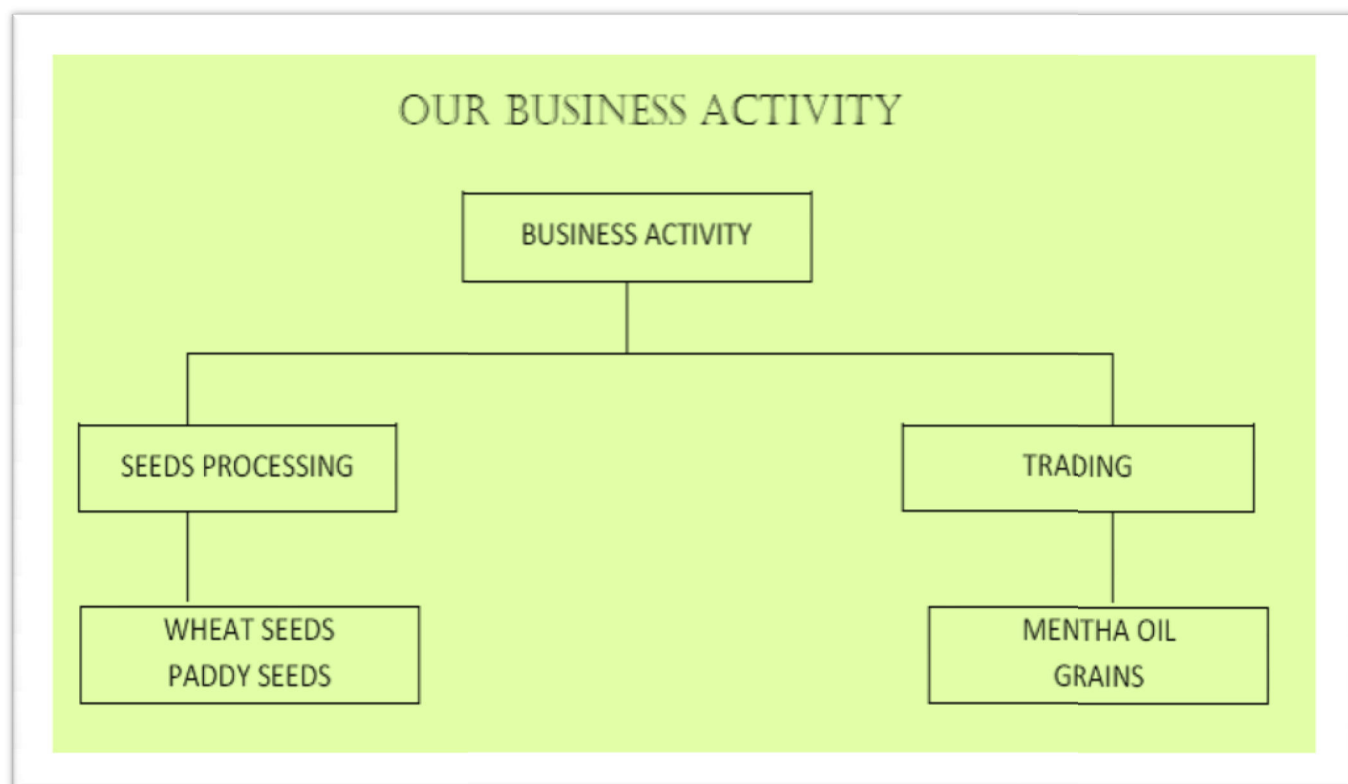
Our Company is having two units at:

- iii) Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttrakhand -262401; and
- iv) Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P.

Our Company is registered with Uttrakhand Seeds certification agency and having total production capacity of company is 7080 MT per annum at plant situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttrakhand - 262401 at which our Company currently carry processing of seeds. Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is currently not functional.



With dedicated team of researchers, the company is conscious of the changing needs of farmers and consumers to design and develop productive hybrids that excel in market and fetch rewarding returns. The focus centers round combined use of conventional breeding and biotechnology to shift the yield frontier and stabilize it through incorporation of genetic resistance to biotic and abiotic stresses. Encountering the challenges faced by the farmers is the business motto for our research innovation.



In the past three (3) years our revenues have increased from Rs. 5,790.33 Lacs in F.Y. 2014-2015 to Rs. 5,844.31 Lacs in F.Y. 2015-16 and further to Rs. 5,824.94 Lacs in F.Y. 2016-17, showing an increase of 0.93% and (0.33)%. Our Net Profit after tax for the above mentioned periods are Rs. 26.60 Lacs, Rs. 16.16 Lacs and Rs. 48.70 Lacs.

Also, Our total revenue for the three months ended on 31<sup>st</sup> December is Rs. 5764.67 lacs with a profit after tax of Rs. 66.21 Lacs showing a growing trend of our Business operations over the previous years.

Details of Total Revenue for the last Five (5) years and for the period ended on 31st December, 2017 are as under:

Financial year	Revenue from operations (Amt in lacs)	Other Income (Amt in lacs)	Total Revenue (Amt in lacs)	Profit before Depreciation, Interest and Tax (Amt in lacs)	Profit after Tax (Amt in lacs)
2012-2013	58.07	38.22	96.29	25.88	15.04
2013-2014	5,463.09	30.26	5,493.35	36.69	21.62
2014-2015	5,781.48	8.85	5,790.33	98.04	26.60
2015-2016	5,837.88	6.43	5,844.31	84.12	16.16
2016-2017	5,818.62	6.32	5,824.94	153.42	48.70
Nine Months (9) ended 31st December, 2017	5756.89	7.78	5,764.67	164.89	66.21



Details of “Revenue from Operations” with PRODUCT WISE Break Up for the last Five (5) years and for the period ended on 31st December, 2017 are as under:

(Amt in lacs)

FY	Seeds/ Grains		Mentha Oil		Total
	Amt.	%	Amt.	%	
2012-2013	58.07	100.00	0.00	0.00	58.07
2013-2014	316.20	5.79	5146.89	94.21	5,463.09
2014-2015	637.45	11.03	5144.03	88.97	5,781.48
2015-2016	1636.66	28.04	4201.21	71.96	5,837.88
2016-2017	400.53	6.88	5418.09	93.12	5,818.62
Nine Months (9) ended 31st December, 2017	3714.96	64.53	2041.94	35.47	5756.90

Details of “Revenue from Operations” with STATEWISE Break Up for the last Five (5) years and for the period ended on 31st December, 2017 are as under:

(Amt. In Lacs)

STATE	31.12.2017		31.03.17		31.03.16		31.03.15		31.03.14		31.03.13	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Uttarakhand	312.77	5.43	400.53	6.88	548.05	9.39	518.26	8.96	275.78	5.05	58.07	100
Uttar Pradesh	-	-	-	-	38.78	0.67	119.19	2.07	40.42	0.74	-	-
Bihar	2041.94	35.47	5418.09	93.12	4201.21	71.96	5144.03	88.97	5146.89	94.21	-	-
Delhi	3402.19	59.10	-	-	1049.84	17.98	-	-	-	-	-	-
<b>Total</b>	<b>5756.90</b>	<b>100</b>	<b>5,818.62</b>	<b>100</b>	<b>5,837.88</b>	<b>100</b>	<b>5,781.48</b>	<b>100</b>	<b>5,463.09</b>	<b>100</b>	<b>58.07</b>	<b>100</b>

#### OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) **Experienced Promoters and a well trained employee base** - Our promoters are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Industry knowledge and understanding also gives us the key competitive advantage, enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a management team with several years of experience in their respective domains of sales, marketing, strategy and finance.
- 2) **Strategic Location of our manufacturing facility** -Our Manufacturing Facility is strategically located near the source of raw materials to ensure cost savings and optimum logistic benefits. Our Manufacturing plant is situated in Uttarakhand where direct contact with the farmers are established.
- 3) **Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services and technology development.
- 4) **Quality Assurance and Standards:** Our Company believes in the quality in our process and products. We are committed to maintain quality at all steps of the processing chain upto dispatch of finished products. Our dedicated team ensures the compliance with good practices. We give prime focus to providing quality products to our customers and follows high quality standards.

## OUR PROCESSING UNIT:

Our Company is having two units at:

- i) Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401; and
- ii) Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jalaun, U.P.

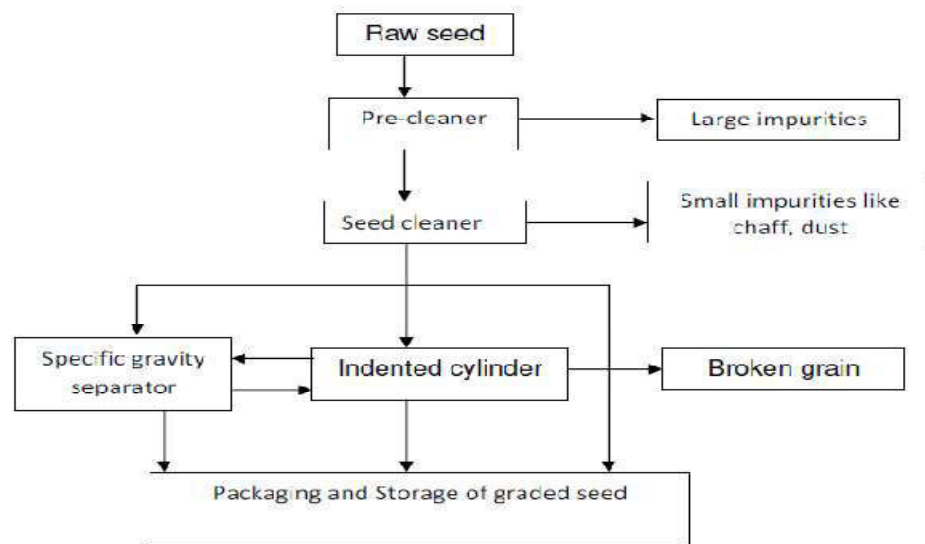
Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jalaun, U.P. is currently not functional.

Stated below are some of the major equipments utilized at our manufacturing unit.

S.No.	Machines and Testing Equipments	Quantity
1.	Seed Grader	4
2.	Seed Ore Cleaner	3
3.	Gravity Separator	3
4.	Indented Cylinder	3
5.	Vertical Bucket Elevator	12
6.	Generator 75 Kv	1
7.	Generator 45 Kva	1
8.	Vacuum Cleaner	1
9.	Electronic Moisture Meter	1
10.	Bag Closer Heavy Duty	2
11.	Weighing Machine 100 Kg	1
12.	Weighing Machine 300 Kg.	1
13.	Air Cleaner	1

In addition to the above, Our Company has Lab Equipments like Germinator, Hot Air Oven, and Divider etc.

## OUR BUSINESS PROCESS CAN BE SUMMARIZED AS UNDER:-

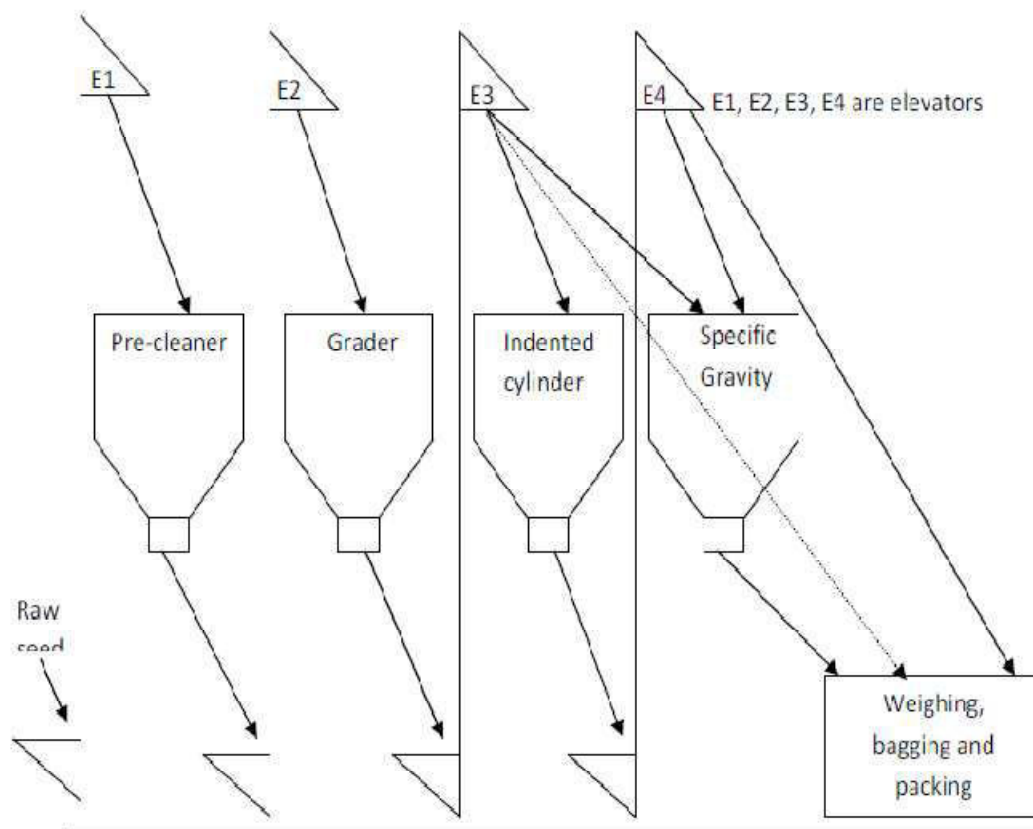


Process flow chart of Paddy & wheat seed processing

We obtain breeders from agricultural universities and deliver to farmers to produce foundation seeds. Farmers produce the foundation in the day to day supervision of our trained and qualified staff. During growth period of

plant, the trained staff watch carefully and remove small/bad plant which is called rouging. After reaching plant at Grade2 stage, farmers return us the seeds in our store/plant.

Process flow operation enables processing of seed through suitable machines. Elevators are provided with bypassing arrangements to bypass certain machines, if use of any machine is not needed in subsequent operation in particular seed lot.



Layout of seed processing machines

Seed will be fed to the pre-cleaner by elevator (E1). This machine will remove large size undesired materials from the seed. The partially cleaned seed will be fed to the cleaner cum grader with elevator (E2). Here, the small undersized materials including undersized seeds will be separated on the basis of size difference and weight difference. The cleaned and sized seed will be fed to the indented cylinder by elevator (E3) whereby the broken and short seeds will be separated. The graded seed will be fed to the specific gravity separator by elevator (E4) for removing light seed. If it is not required then it will be bypassed. The processed seed will be packed, weighed and stitched with the help of weighing and stitching machine.

#### DETAILS OF TRADING OF MENTHA OIL:

Farmers or their agents offer Mentha Oil to the Company on daily basis along with detail of quality and quantity available with them. Thereafter, the Mentha Oil is being tested for the quality purpose and purchased thereafter. Thereafter, the purchased Mentha Oil is segregated in lots according to the percentage and sold the buyers at a price which depends upon the situation of market i.e. depending upon the expectation of availability of crops.

Our Promoter keep updated Market study, awareness of each and every move of market to gain through Mentha Oil. On finalizing the prices, material is dispatched to them.



## DETAILS OF STORAGE OF MENTHA OIL & OTHER INVENTORIES AND DETAILS OF LOCATION OF WHERE COMPANY IS DOING TRADING OF MENTHA OIL

Our Company does not store Mentha Oil/Other Inventory in trading as the consignment is being delivered directly to our customers by our suppliers, and seeds are being stored at Company's plant cum warehouse situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401.

Our Company is doing trading of Mentha Oil in the state of Bihar only. (See Risk Factors No. 15 under the section "Risk Factors" beginning from page 15 of this Prospectus).

### **LOCATIONS:**

We currently operate from the following office:

**Registered office:** Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New Delhi 110020.

#### **Processing Unit:**

- i) Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401; and
- ii) Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P.

Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is currently not functional.

### **COLLABORATIONS:**

The Company has so far not entered into any technical or financial collaboration agreement.

### **RAW MATERIAL & OTHER UTILITIES:**

#### **Raw Material:**

Our Raw Material is breeders which is procured from agricultural universities and deliver to farmers to produce foundation seeds.

#### **Utilities:**

Our Processing Units is located at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401 and Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P., a well developed industrial belt for industry where the utilities are easily available. Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is currently not functional.

#### **Power:**

Power at units is sourced from Diesel Generators Sets.

#### **Water:**

The manufacturing process does not have major water requirements.

#### **Capacity:**

Our Processing unit is having total production capacity of company is 7080 MT per annum out of which around 45% are currently used.



## **Human Resources:**

The details of manpower employed as on date are as under:

<b>Category</b>	<b>No. of Employees</b>
<b>Management:</b>	
Directors	1
<b>Administration, Accounts &amp; Finance, Marketing:</b>	
Sales Manager, Production Manager, Marketing	9
Accounts & Legal	4
Office Assistant, Conductor, Workmen	1
<b>TOTAL</b>	<b>15</b>

Company also employs temporary workers on per day wages basis.

## **OUR BUSINESS STRATEGIES:**

- 1. Expansion of Domestic Market:-**We intend to expand our geographical reach and enter the large domestic market for growth opportunities of our business. We plan to deepen our presence in the existing market and expand our reach and penetrate into the large available market by giving scale down low price solution and grab major market share.
- 2. Improving operational efficiencies:-** Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result of these measures, our company will be able to increase its market share and profitability.
- 3. Promotion of our brand recognition:-**We propose to increase the brand recognition through various brand building efforts, communication and various promotional initiatives. Such promotion would enhance the visibility of our brand and also enhance our business positioning and credibility.
- 4. Leveraging our Market skills and Relationships:-**This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.
- 5. Pursue strategic acquisitions:** In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.

## **MARKETING STRATEGY:**

We employ a variety of marketing methods to market our products and services to build our brand image and achieve the desired business results. We promote our brand awareness by carrying out the activities such as presentation and hoardings in different part of cities, place banners and signboards at prominent locations, and participation in farmer's related exhibitions and Expos. The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our channels that are associated with our Company. Our team through their experience owing to timely and quality delivery of services plays an instrumental role in creating and expanding a work platform for our Company. We have marketing professionals for our domestic operations. We believe our relationship with our Marketing channels is cordial and established as we repeat order flows. To retain our distributors, our team regularly interacts with them and focuses on gaining and insight into the additional needs of customers. We intend to expand our existing

customer base by reaching out to other geographical areas and expanding our export operations. Our marketing team is ready to take up challenges so as to scale new heights.

### COMPETITION:

We face the competition in our business from other existing traders and manufacturers of same products. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products.

We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. Our industry is highly competitive while being unorganized and fragmented. This market is not governed directly by any regulations or any governmental authority. The players in the informal education market are mostly small and unrecognized. We face competition from both organized and unorganized players in the market and more specifically from different players for different sections to which we offer our Products. Our competition varies for our products and regions.

### EXPORT POSSIBILITIES & EXPORT OBLIGATION:

Our business is entirely focused on domestic markets. Currently, we do not have any outstanding export obligations.

### SWOT:

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>• Cordial relations with Customers;</li> <li>• In depth knowledge of Industry - Commercial &amp; Technical;</li> <li>• Established manufacturing facility;</li> <li>• Experienced management team</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>• Dependency on farmers;</li> <li>• Surge in finance needs to cope up with the increased demand;</li> <li>• Heavy dependence on suppliers for right quality of raw materials.</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Expanding New Geographical Markets;</li> <li>• Enhancing functional Efficiency;</li> <li>• Listing the company under a stock exchange will open up huge avenues of capital for the company to support its expansion plans and allows it to venture into new businesses.</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>• Industry is prone to changes in government policies, any material changes in the duty or may adversely impact our financials;</li> <li>• Changing Technology;</li> <li>• There are no entry barriers in our industry which puts us to the threat of competition from new entrants;</li> <li>• Intense competitive pressure;</li> <li>• Rising labor wages.</li> </ul>

### OUR PRODUCTS:

Our Product comes in the packing of 40 kgs.





## Mentha oil business and Its Usage:

Mentha Oil is mainly used as a raw material for manufacturing Menthol which is a main raw material for Pharma Industries, Food Industries, Cosmetic Industries, Pan Masala Industries, Confectionary Industries and Toiletries Items etc. A common man, uses about 50 to 70% of Menthol in his daily routine. It is being used in Tooth Paste, After Shave, Shaving Cream, Mouth Freshner, Pain Balm, Inhalers, Cough Syrups, Pudín Hara, Cool Hair Oil, Soaps, Perfumes, Agarbatti & Dhoop Batti, Mint Toffy, Meethi Supari, Mouth Gel, Pan Masala etc.

Manufacturer of Menthol buy Mentha Oil for their production. There are various qualities of Mentha Oil according to availability of percentage of Menthol Contents in Oil. Percentage of Menthol in oil can be checked through GLC (Gas Liquid Chromatography) method only. Prices of Mentha Oil depend on the quality which is assessed on percentage of Menthol Contents in oil as well as impurities in oil. Best oil contains about 70%+ Menthol contents.

Mentha Oil is reaching to a normal human being through many consumable items knowing or unknowing in a day about 60 to 70% in his daily life thereby demand of Mentha Oil is increasing rapidly.

## QUALITY:

We are wholly committed to build and sustain itself as an organization where quality shall be the hallmark of every aspect. We check the entire process right from procurement of materials to final delivery. Our maximum attention is paid to upgrade our process and system to achieve consistent product quality and customer satisfaction.

## Quality Policy:

With the help of a systematic process orientation and unwavering and unflinching focus and commitment enables us to turn out products with a guarantee of absolute quality. We are dedicated towards total customer satisfaction, timely delivery and optimum cost. We are committed to achieve this goal through training, continual improvement of processes & Quality Management Systems.

Our quality assurance program involves the following:

- Implement quality management systems;
- Process capability study;
- Process inspection in all stages;
- Corrective and preventive actions.

## OUR PROPERTIES:

**Registered office:** Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New Delhi 110020.

**Processing Unit:**

- Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401; and
- Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jalaun, U.P.

### **Note 1: Interest in Property by our Promoters and Promoter Group**

Our Promoter and Promoter group do not have any interest in any property, whether leased, owned or occupied.

### **Note 2: Purchase of Property**

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest directly or Indirect during preceding two years.

**Details of Property owned / taken on leased / leave & Licence by Our Company:**

S.No.	Details of the Property	Licensor/Vendor	Consideration	Use	Nature of Occupancy
1.	Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New	Mrs. Seema Chadda, R/o B	Rs. 25,000 per month plus applicable service	Registered Office	Leave and License





S.No.	Details of the Property	Licensor/Vendor	Consideration	Use	Nature of Occupancy
	Delhi 110020, admeasuring 925 Sq Ft approx.	19, Kailash Colony, New Delhi-110048	tax/GST with increment by 15% after expiry of the 1 <sup>st</sup> year.		
2.	Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttrakhand - 262401**	N.A.	N.A.	Processing Unit cum warehouse	Owned
3.	Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P.	N.A.	N.A.	Processing Unit cum warehouse	Owned

\*\* Out of the total area, 5000 sq ft has been given on lease to M/s Natural Herbs and Seeds, promoter group entity for a period of 10 years on a rent of Rs. 10,000 per month vide lease agreement dated 28<sup>th</sup> January, 2012 and area of 4079.60 sq ft has been given on lease to M/s National Bulk Handling Corporation Pvt Ltd on a rent of Rs. 6.50 per sq ft per month which is renewed with mutual consent (Currently valid upto 31<sup>st</sup> May, 2018).

Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is currently not functional.

#### INTELLECTUAL PROPERTY:

For details of the trademarks registered in the name of our Company and the application made for registration, please refer "Government and Other Approvals" on page 195 of this Prospectus.

#### INSURANCE:

Details of all the insurance policies maintained by us are as follows.

Coverage	Building (Earthquake, Fire and Shock) situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttrakhand -262401
Policy no.	34110111170100000018
Sum insured	Rs. 2,50,00,000
Total premium (Rs.)	Rs. 20455
From	21.09.2017
Valid up to	20.09.2018

Coverage	Building (Earthquake, Fire and Shock) situated at Village- Rahiya, Orai, Distt. Jallaun, U.P.
Policy no.	34110111170100000020
Sum insured	Rs. 1,00,00,000
Total premium (Rs.)	Rs. 9000
From	21.09.2017
Valid up to	20.09.2018

Coverage	On Stocks and Stock In process. (Earthquake, Fire and Shock)
Policy no.	34110111170100000021
Sum insured	Rs. 4,00,00,000
Total premium (Rs.)	Rs. 35843
From	21.09.2017
Valid up to	20.09.2018



## KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to applicants and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled "Government and Other Statutory Approvals" beginning on page 195 of this Prospectus.

The following is an overview of some of the important laws and regulations, which are relevant to our industry.

### **KEY INDUSTRY REGULATIONS AND POLICIES**

#### ***Indian Stamp Act, 1899***

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

#### ***The Delhi Shops and Establishments Act, 1954 (The Delhi Shops Act)***

The Delhi Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn function under the supervision of Labour Commissioner.

#### ***Prevention of Black Marketing and Maintenance of Supplies Act, 1980***

To make matters worse, in 1980 came the "Prevention of Black Marketing and Maintenance of Supplies Act." It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

#### ***Agricultural Produce (Grading and Marketing) Act, 1937 (Agmark):***

The Directorate of Marketing and Inspection enforces the Agricultural Produce (Grading and Marketing) Act, 1937. Under this Act Grade standards are prescribed for agricultural and allied commodities. These are known as Agmark' standards. Grading under the provisions of this Act is voluntary. The DMI enforces the Agricultural Products (Grading and Marketing) Act, 1937. Under this Act, Grade Standards are prescribed for agricultural and allied commodities. These are



known as "Agmark" Standards. Grading under the provisions of this Act is voluntary. Manufacturers who comply with standard laid down by DMI are allowed to use "Agmark" labels on their products.

#### ***Prevention of Food Adulteration Act, 1954:***

This Act is the basic statute that is intended to protect the common consumer against the supply of adulterated food. This specifies different standards for various food articles. The standards are in terms of minimum quality levels intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities and adulteration. The Central Committee for Food Standards, under the Directorate General of Health Services, Ministry of Health and Family Welfare, is responsible for the operation of this Act. The provisions of the Act are mandatory and contravention of the rules can lead to both fines and imprisonment. Prevention of Food Adulteration Act applies to domestic and imported food commodities, encompassing food color and preservatives, pesticide residues, packaging, labeling and regulation of sales.

### **LAWS RELATING TO EMPLOYMENT AND LABOUR**

#### ***The Industrial Employment Standing Orders Act, 1946***

Every establishment employing more than 100 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labor Commissioner.

#### ***Child Labour (Prohibition and Regulation) Act, 1986***

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

#### ***The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952("EPF Act")***

The "EPF Act" applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees.

The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

#### ***The Employees State Insurance Act, 1948 ("ESI Act")***

The "ESI Act", provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### ***The Payment of Gratuity Act, 1972 ("Gratuity Act")***

The "Gratuity Act" establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve



months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1 million.

#### **The Equal Remuneration Act, 1976 (“ER Act”)**

The “ER Act” provides for the payment of equal remuneration to men and women workers for same work or work of a similar nature and for the prevention of discrimination, on the ground of sex, against women in the matter of employment. According to the Equal Remuneration Act, the term remuneration means the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, are fulfilled.

#### **The Workmen Compensation Act, 1923 (“WCA”)**

The “WCA” has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

#### **The Maternity Benefit Act, 1961 (“Maternity Act”)**

The purpose of “Maternity Act” is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc.

### **TAX RELATED LEGISLATIONS**

#### **Income-Tax Act, 1961 (“IT Act”)**

The “IT Act” is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and the like. Every such company is also required to file its returns by September 30 of each assessment year.



### **The Central Goods and Services Tax Act, 2017**

GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

### **LAWS RELATING TO INTELLECTUAL PROPERTY**

#### ***The Trademarks Act, 1999 (“TM Act”)***

The “TM Act” provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description.

The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure.

Application for trademark registry has to be made to Controller-General of Patents, Designs and TM Act who is the Registrar of Trademarks for the purposes of the TM Act. The TM Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

#### ***The Patents Act, 1970 (“Patent Act”)***

The purpose of the “Patent Act” in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

#### ***The Designs Act, 2000 (“Designs Act”)***

The objective of “Designs Act” it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

### **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or



industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.

Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits).

The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

### ***The Indian Registration Act, 1908 (“Registration Act”)***

The Indian Registration Act, 1908 “Registration Act” details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

### ***The Indian Easements Act, 1882(“IE Act”)***

The law relating to easements and licenses in property is governed by the “IE Act”. The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

### **FOREIGN INVESTMENT REGIME:**

#### ***The Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.***

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps.



In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

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

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

## **ENVIRONMENTAL LAWS**

### **Indian Forest Act, 1927**

This is an act to consolidate the law relating to forests, the transit of forest produce and the duty leviable on timber and other forest produce.

### **The Forest (Conservation) Act, 1980**

This is an Act to provide for the conservation of forests and for matters connected therewith or incidental thereto. This Act has been enacted with a view to check further development which ultimately results in ecological imbalance. With this object in mind, this Act, inter alia, makes it mandatory that no state Government or any authority shall without the prior approval of the Central Government give any order directing (i) any reserved forest shall cease to be reserved (ii) any forest land may be used for non forest purpose (iii) any forest land be assigned by way of lease or otherwise to any private person or to any authority, corporation, agency or any other organization not owned, managed or controlled by Government and (iv) that any forest land may be cleared of trees which have grown naturally in that land, for the purpose of using it for re-forestation.

### **The Forest (Conservation) Rules, 2003**

This Rule has been framed for effectuating the provision of the Forest (Conservation) Act, 1980.

### **National Forest Policy, 1988**

This set of policies were enunciated, inter alia, for the maintenance of environment stability through preservation and restoration of ecological balance, conserving the natural heritage of the country, checking soil erosion and increasing the productivity of forest to meet national needs.

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

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the



activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

#### **The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

Pursuant to the provisions of the Air Act, 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 Board is 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.

#### **The Water (Prevention and Control of Pollution) Cess Act, 1977 (the “Water Cess Act”) The Water (Prevention and Control of Pollution) CESS (Amendment) Act, 2003**

The Water Cess Act 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 statute, 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 EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance 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 nonpayment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

#### **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (the “Hazardous Wastes Rules”)**

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant state Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant 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 EPA or both.

#### **IMPORTANT GENERAL LAWS:**

##### ***The Companies Act, 1956***

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing,





functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act.

The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified.

### ***The Companies Act, 2013***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014.

The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

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

The Competition Act, 2002 prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### ***The Public Liability Insurance Act, 1991(“PLI Act”)***

The “PLI Act” provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance thereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

### ***The Indian Contract Act, 1872 (“Contract Act”)***

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

### ***The Consumer Protection Act, 1986(“COPRA”)***

“COPRA” aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods,



deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

#### ***The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011***

Legal Metrology Act, 2009 and the rules framed under were 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, with effect from March 1, 2011 and the rules which came into force from April 1, 2011 replaced Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

#### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013("SHWW Act")***

The "SHWW Act" provides for the protection of women and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000.

#### ***The Negotiable Instruments Act, 1881("NI Act")***

In India, the laws governing monetary instruments such as cheques are contained in the "NI Act", which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.



## OUR HISTORY AND CORPORATE STRUCTURE

### HISTORY & BACKGROUND

Our Company was originally incorporated at New Delhi as “Terai Beej Private Limited” on 22nd June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Terai Beej Limited” and fresh certificate of incorporation dated 7th May, 1986 was issued by the Asstt. Registrar of Companies, Delhi & Haryana. Subsequently, the name of the Company was changed to “Continental Seeds and Chemicals Limited” vide Fresh Certificate of Incorporation dated 8th May, 1986 issued by Addl. Registrar of Companies, Delhi & Haryana.

In the year 1983, Capt. Vijay Neil Kumar and Mr. Abhey Yograj laid the foundation of our Company as a private limited Company in the name of M/s Terai Beej Private Limited and in December, 2011, Our Present Promoter i.e. Mr. Praveen Rastogi took the control of our Company from erstwhile promoters.

Our Company is engaged in the business of developing, processing, grading and supplying of all kind of agricultural foundation and certified seeds and trading of Mentha Oil. Our Company is engaged in the whole process of processing in varieties of seeds, foundation seed and processing of the same into certified seeds. Seed processing is a vital part of the seed production needed to move the improved genetic materials of the plant breeder into commercial channels for feeding the rapidly expanding world population. The farmer must get the quality seed that is free from all undesired materials because farmer’s entire crop depends on it.

Seed can seldom be planted in the condition in which it comes from the growers. In fact, many seed lots contain weed or crop seed or inert material that make them unfit for sale without processing. Crop seed also frequently have stems, awns, clusters or other structures, which prevent from flowing through the drill freely.

Our Company also obtains seed certification certificate from Uttarakhand State Seed and Organic Production Certification Agency from time to time for our products.

Our Company is having two units at:

- i) Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401; and
- ii) Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P.

Our Company is registered with Uttarakhand Seeds certification agency and having total production capacity of company is 7080 MT per annum at plant situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401 at which our Company currently carry processing of seeds. Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jallaun, U.P. is currently not functional.

With dedicated team of researchers, the company is conscious of the changing needs of farmers and consumers to design and develop productive hybrids that excel in market and fetch rewarding returns. The focus centers round combined use of conventional breeding and biotechnology to shift the yield frontier and stabilize it through incorporation of genetic resistance to biotic and abiotic stresses. Encountering the challenges faced by the farmers is the business motto for our research innovation.

For information on the Company’s activities, market, growth, technology and managerial competence, please see the chapters “Our Management”, “Our Business” and “Industry overview” beginning on pages 133, 110, and 96 respectively of this Prospectus.



## MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To grow, cultivate, produce, process, preserve, store, develop, market transport, purchases, sell, import and export whether in bulk or packets, all varieties of seeds, and to carry on the business foundation seed and processing of the same into certified seed.
2. To carry on the business of rice mill owners and to set up mills for milling wheat, gram, dal, maida, suzi and other allied products and to manufacture food products, flakes, dalia and flours of all kinds and to set up factorie for the manufacture thereof.
3. To carry on business of producing, refining, storing, purchasing, selling, exporting, importing, transporting, and dealing in all types of vegetable oils and any products thereof and to the construct and run oil mills for the purposes thereof.
4. To cultivate purchase, sale, store, transport, market, import export and process rice, wheat, paddy, cotton and cereals of all kinds.
5. To carry on business of manufacturing, purchases, sales, import, export, trade, process, deal distribute, supply all type of essential oil, menthol oil and its products, DMO, menthol, menthol bold, crystal and aromatic oils directly or indirectly through its agent from open market, MCEX, NCDEX and any other commodity, exchange in India or abroad.

## CHANGES IN REGISTERED OFFICE

Sr. No.	Effective Date of Change	Sfiting of Registered office	
		From	To
1	11.12.2007	3/301, Kaushalya Park, Hauz Khas, New Delhi -110016	304, Sheetla House, 73-74, Nehru Place, New Delhi 110019
2	01.02.2009	304, Sheetla House, 73-74, Nehru Place, New Delhi 110019	E-2/2, Rear, Malviya Nagar, New Delhi -110017
3	15.05.2011	E-2/2, Rear, Malviya Nagar, New Delhi -110017	A-250, Basement, Shivalik, New Delhi Delhi India 110017
4	05.02.2013	A-250, Basement, Shivalik, New Delhi Delhi India 110017	38, Basement, Okhla Industrial Estate III, New Delhi-110020
5	10.08.2015	38, Basement, Okhla Industrial Estate III, New Delhi-110020	M-73b, First Floor, Malviya Nagar, Near Apeejay School, New Delhi-110017
6	30.09.2017	M-73b, First Floor, Malviya Nagar, Near Apeejay School, New Delhi-110017	Lower Ground Floor, Plot No. 38 Okhla Phase 3, South Delhi, New Delhi 110020

## CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

DATE	AMENDMENT
30 <sup>th</sup> June, 1985	Increase in the Authorised share capital from Rs. 10.00 lacs to Rs. 15.00 Lacs and consequent alteration in the capital clause of Memorandum of Association.
5 <sup>th</sup> May, 1986	Increase in the Authorised share capital from Rs. 15.00 lacs to Rs. 40.00



DATE	AMENDMENT
	Lacs and consequent alteration in the capital clause of Memorandum of Association.
12 <sup>th</sup> August, 1986	Sub Division of Face value of Equity shares from Rs. 100 to Rs. 10 per share and consequent alteration in the capital clause of Memorandum of Association.
14 <sup>th</sup> October, 1998	Increase in the Authorised share capital from Rs. 40.00 lacs to Rs. 100.00 Lacs and consequent alteration in the capital clause of Memorandum of Association.
9 <sup>th</sup> January, 2012	Increase in the Authorised share capital from Rs. 100.00 lacs to Rs. 150.00 Lacs and consequent alteration in the capital clause of Memorandum of Association.
16 <sup>th</sup> January, 2012	Alteration in the main Objects of the Object Clause Memorandum of Association.
15 <sup>th</sup> May, 2015	Alteration in the main Objects of the Object Clause Memorandum of Association.
6 <sup>th</sup> June, 2017	Increase in the Authorised share capital from Rs. 150.00 lacs to Rs. 650.00 Lacs and consequent alteration in the capital clause of Memorandum of Association.

#### MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
1983	Incorporation of the Company in the name of "Terai Beej Private Limited".
1986	Conversion of the Company into Public Limited Company and consequent change of name to 'Terai Beej Limited'.
1986	Change of Name of the Company to 'Continental Seeds and Chemicals Limited'.
2012	Takeover of Company by current promoter from erstwhile promoters.

#### HOLDING COMPANY OF OUR COMPANY

Our Company has no holding Company as on the date of filing of the Prospectus.

#### SUBSIDIARY OF OUR COMPANY

Our Company has no Subsidiary Company as on the date of filing of the Prospectus

#### ACCUMULATED PROFITS OR LOSSES NOT ACCOUNTED FOR

The accumulated profits or losses of our Subsidiary, if any, have been accounted for by our Company in the restated audited financial statements of our Company included in this Prospectus. For further details, please refer to the chapter titled "Financial Information" on page 149 of this Prospectus.

#### SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Prospectus.

#### OTHER AGREEMENTS

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



#### **COLLABORATION**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since its incorporation.

#### **STRATEGIC PARTNER**

Our Company does not have any strategic partner as on the date of filing of the Prospectus.

#### **FINANCIAL PARTNER**

Our Company does not have any financial partner as on the date of filing of the Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the company.

#### **JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

#### **NUMBER OF SHAREHOLDERS**

Our Company has Eight (8) shareholders on date of the Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than fifteen (15) Directors. Our Company currently has Five (5) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<b>1.Mr. Praveen Rastogi</b> S/o Mr. Radhey Shyam Rastogi H. NO. 760, Kot Sharki D Ashink Sambhal 244302 UP IN <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 1 <sup>st</sup> October, 2017 <b>DIN:</b> 01414608	38 Years	Managing Director	1. Praveen Aroma Private Ltd
<b>2. Mrs. Jaishree Rastogi</b> S/O Mr. Parmatma Saran H. NO. 760, Kot Sharki D Ashink Sambhal 244302 UP IN <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by Rotation <b>DIN:</b> 01414622	70 Years	Executive and Non Independent Director	1. Praveen Aroma Private Ltd
<b>3. Mr. Sachin Rastogi</b> D/o Mr. Amrish Kumar Rastogi KOT East, TEH. Sambhal Moradabad Sambhal 244302 UP IN. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by Rotation <b>DIN:</b> 05134858	31 Years	Non Executive and Non Independent Director	Nil
<b>4. Mr. Mujuffar Khan</b> S/o Mr. Mohammad Idris 310 Mehmoodpur Nafi, Tehsil Bilari, Moradabad, Uttar Pradesh -244301 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 1 <sup>st</sup> November, 2017 <b>DIN:</b> 07976446	21 Years	Non Executive and Independent Director	Nil
<b>5. Mr. Prashant Rastogi</b> S/o Mr. Sheel Priya Rastogi MOH. KOT East Sambhal Sambhal 244302 UP IN. <b>Occupation:</b> Professional <b>Nationality:</b> Indian	37 years	Non Executive and Independent Director	Nil



Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
Tenure: Five years from 30 <sup>th</sup> September, 2017 DIN: 07974052			

**Note:**

As on the date of the Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**DETAILS OF DIRECTORS**

**Mr. Praveen Rastogi:** aged 38 years, is Promoter and Managing Director of our Company. He holds the Bachelor degree in Commerce. He is having 15 years of Experience in in the field of agro farming, seeds processing and related filed. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company since December, 2011.

**Mrs. Jaishree Rastogi:** aged 70 years, is Executive and Non Independent Director of our Company. She is post Graduate in Arts. She is having more than 10 years of Experience in agricultural activities. She looks after day-to-day routine research and operational activities of our Company. She has been on the board of Company since December, 2011.

**Mr. Sachin Rastogi:** aged 31 years, is Non Exeuctive and Non Independent Director of our Company. He holds Bachelors of Science. He has more than 5 year experience in the field of sales, consumer research and marketing, culminating in general management and leadership roles. He has been on the board of Company since, December, 2017.

**Mr. Mujuffar Khan:** aged 21 years, is an Independent Director of our Company. He is under graduate. He has more than 3 year experience in the field of accounts & sales, consumer research and marketing. He has been on the board of Company since, November 2017.

**Mr. Prashant Rastogi:** aged 37 years, is an Independent Director of our Company. He is commerce graduate. He has more than 15 year experience in the field of business development and team management. He has been on the board of Company since, November 2017.

**CONFIRMATIONS**

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company. None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.





#### NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

There is no family relationship among Directors except that Mrs. Jaishree Rastogi is the mother of Mr. Praveen Rastogi.

#### BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 1<sup>st</sup> December, 2017, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 of the Companies Act, 2013 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 25 Crores.

#### TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

<b>Name</b>	<b>Mr. Praveen Rastogi</b>
<b>Designation</b>	Managing Director
<b>Period</b>	Five years from 1 <sup>st</sup> October, 2017
<b>Date of Appointment</b>	1 <sup>st</sup> October, 2017 as Managing Director
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 6,00,000/- p.a. (Six Lac Only) with such annual increments / increases as may be decided from time to time.</p> <p><b>b) Minimum Remuneration</b> <b>In the event of loss or inadequacy</b> of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
<b>Remuneration paid in FY 31<sup>st</sup> March, 2017</b>	<b>N.A.</b>

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

#### NON - EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees.

#### CORPORATE GOVERNANCE

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



We have a Board constituted in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Five (5) Directors. We have Two (2) Executive Non-Independent Director, One (1) Non-Executive Non-Independent Director and Two (2) Independent Non Executive Directors. The Chairman of the Board is Mr. Praveen Rastogi being Managing Director. The constitution of our Board is in compliance with the Companies Act, 2013.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

#### **AUDIT COMMITTEE**

Our Company has constituted an Audit Committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 vide resolution passed in the meeting of the Board of Directors held on 1<sup>st</sup> November, 2017.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013. The committee presently comprises following three (3) directors. Mr. Prashant Rastogi is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Prashant Rastogi	Chairman	Independent Director
2.	Mr. Mujuffar Khan	Member	Independent Director
3.	Mr. Praveen Rastogi	Member	Executive & Non Independent Director

#### **Role of Audit Committee**

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of



- judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  12. 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.
  13. Discussion with internal auditors any significant findings and follow up there on.
  14. 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.
  15. 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.
  16. 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.
  17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  20. Mandatorily reviews the following information:
    - a. Management discussion and analysis of financial condition and results of operations;
    - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses; and
    - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
  21. Review the Financial Statements of its subsidiary company, if any.
  22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
  23. Review the Vigil mechanism (whistle blowing) policy.
  24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.



In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ("**Stakeholders relationship committee**") to redress the complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 1<sup>st</sup> November, 2017. The committee currently comprises of three (3) Directors. Mr. Mujuffar Khan is the Chairman of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Mujuffar Khan	Chairman	Independent Director
2.	Mr. Prashant Rastogi	Member	Independent Director
3.	Mr. Sachin Rastogi	Member	Non Executive and Non Independent

#### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board looks into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

#### NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in terms of section 178 (3) of Companies Act, 2013. The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 1<sup>st</sup> November, 2017. The Committee currently comprises of three (3) Directors. Mr. Prashant Rastogi is the Chairperson of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Prashant Rastogi	Chairperson	Independent Director
2.	Mr. Mujuffar Khan	Member	Independent Director
3.	Mr. Sachin Rastogi	Member	Non Executive and Non Independent

The Company Secretary of our Company shall act as the Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- The Nomination and Remuneration committee recommends to the board the compensation terms of the executive Directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.



- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

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

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Mr. Abhinav Mishra is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

#### **SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Prospectus:

<b>Name of the Directors</b>	<b>No. of Equity Shares</b>	<b>Pre-Issue percentageShareholding</b>
Mr. Praveen Rastogi	16,65,475	38.01
Mrs. Jaishree Rastogi	17,25,360	39.39
Mr. Sachin Rastogi	10,850	0.25
<b>TOTAL</b>	<b>34,01,685</b>	<b>77.65</b>

#### **INTEREST OF DIRECTORS**

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions 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.

### PROPERTY INTEREST

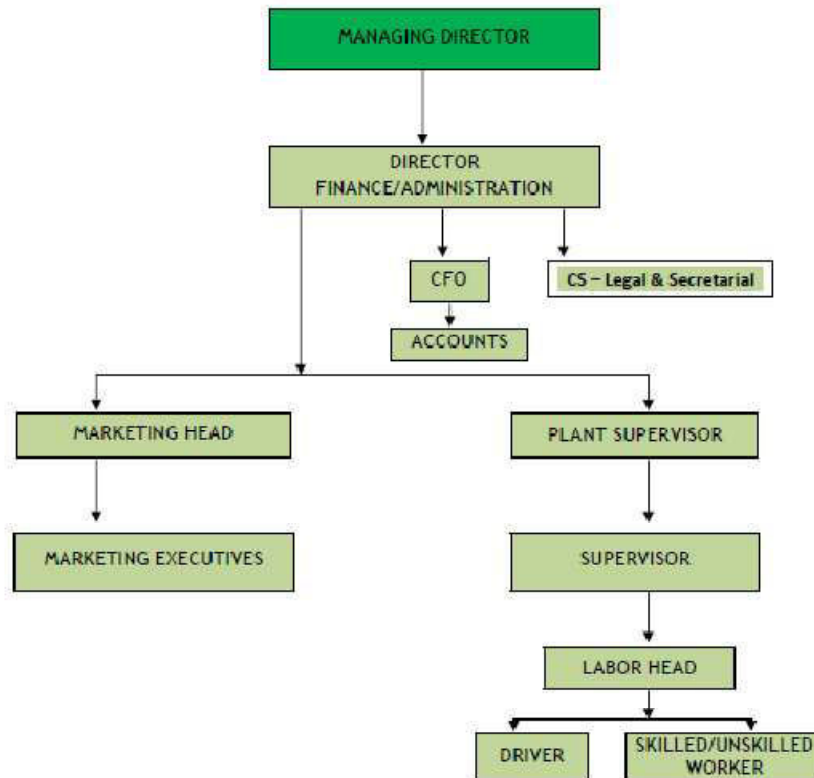
Except as disclosed in the section titled “Our Business” on page 110, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

### CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Sandeep Kumar	28.08.2017	-	Appointment as Executive Director
Mr. Prashant Rastogi	30.09.2017	-	Appointment as Independent Director
Mr. Sandeep Kumar	-	01.11.2017	Resignation due to Personal Occupation
Mr. Mujuffar Khan	01.11.2017	-	Appointment as Independent Director
Mr. Praveen Rastogi	01.10.2017	-	Appointment as Managing Director

### ORGANISATION STRUCTURE





## KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of finance/ capital market and corporate laws.

The following key personnel assist the Management of our Company:

Name	Date of Joining	Current Designation	Functional Responsibilities	Qualification
Mr. Praveen Rastogi	1 <sup>st</sup> December, 2011	Managing Director	Overall Management	B.Com
Mr. Utpal Tandon	28 <sup>th</sup> August, 2017	Chief Financial Officer	Accounts and Finance	B.COM
Mrs. Jaishree Rastogi	1 <sup>st</sup> December, 2011	Executive Director	Business Operations and Research activities	M.A.
Mr. Abhinav Mishra	30 <sup>th</sup> September, 2017	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 2013.	CS, B.Com

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Mr. Praveen Rastogi:** aged 38 years, is Promoter and Managing Director of our Company. He holds the Bachelor degree in Commerce. He is having 15 years of Experience in in the field of agro farming, seeds processing and related filed. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company since December, 2011.

**Mrs. Jaishree Rastogi:** aged 70 years, is Executive and Non Independent Director of our Company. She is post Graduate in Arts. She is having more than 10 years of Experience in agricultural activities. She looks after day-to-day routine research and operational activities of our Company. She has been on the board of Company since December, 2011.

**Mr. Utpal Tandon:** aged 47 years, is Chief Financial Officer of our Company. He is Bachlor in Commerce. He is having more than 25 years of experience in Accountants and Financial related work and he is associated with our Company since August, 2017.

**Mr. Abhinav Mishra** is Company Secretary & Compliance Officer of our Company. He is an associate member of Institute of Companies Secretaries of India and Commerce graduate. He is associated with our Company from September, 2017. His scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013.

## FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the key managerial personnel of our Company except that Mrs. Jaishree Rastogi is mother of Mr. Praveen Rastogi.

## ALL KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL



Apart from below mentioned shareholding of Key Managerial Personnel, none of the key managerial personnel holds any Equity Shares of our Company.

Name	Designation	Shares held
Mr. Praveen Rastogi	Managing Director	16,65,475
Mrs. Jaishree Rastogi	Executive Director	17,25,360
<b>Total</b>		<b>33,90,835</b>

#### **BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

There are no loans outstanding against Key Managerial Personnel as on 31st December, 2017.

#### **CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS**

There are changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows.

Name	Date of Appointment	Date of Cessation	Reason
Mr. Utpal Tandon	28 <sup>th</sup> August, 2017	-	Appointment
Mr. Abhinav Mishra	30 <sup>th</sup> September, 2017	-	Appointment

#### **EMPLOYEES STOCK OPTION SCHEME**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

#### **PAYMENT OR BENEFIT TO OUR OFFICERS**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.





## OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Praveen Rastogi (Individual Promoter);

### DETAILS OF OUR PROMOTER ARE AS UNDER

#### 1. MR. PRAVEEN RASTOGI

	<p><b>Mr. Praveen Rastogi:</b> aged 38 years, is Promoter and Managing Director of our Company. He holds the Bachelor degree in Commerce. He is having 15 years of Experience in in the field of agro farming, seeds processing and related filed. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company since December, 2011.</p>
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#### Identification

<b>Name</b>	Praveen Rastogi
<b>Permanent Account Number</b>	AEEPR1283A
<b>Passport No.</b>	-
<b>Voter ID</b>	CFD/3108313
<b>Driving License</b>	-
<b>Bank Account Details</b>	Canara Bank- 2708101001153; Punjab National Bank- 0893000100235160; Axis Bank- 911010061671856; and HDFC Bank- 50100166228568
<b>AADHAR Number</b>	277118360527

*For additional details on the age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the Chapter titled “Our Management” beginning on page 133 of this Prospectus.*

*For details of the build-up of our Promoters’ shareholding in our Company, please see the chapter titled “Capital Structure” beginning on page 59 of this Prospectus.*

### OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoter will be submitted to the SME platform of NSE Emerge Exchange, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.



## COMMON PURSUITS OF OUR PROMOTER

None of the Promoter is engaged in the business similar to those carried out by our Company.

## INTEREST OF THE PROMOTER

### Interest in the promotion of Our Company

Our Promoter may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoter may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoter, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “*Our Management*” on page 133 of this Prospectus.

### Interest in the property of our Company

Our Promoter does not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

### Interest as Member of our Company

As on the date of this Prospectus, our Promoter and Promoter Group collectively hold 43,81,685 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits as provided in the section titled ‘*Terms of appointment and compensation of our Directors*’ on page 135, our Promoter does not hold any other interest in our Company.

Also see “Our Management-Interest of Directors” on page 139 of Prospectus.

## PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTER DURING THE LAST TWO YEARS

No payment has been made or benefit given to our Promoter in the two years preceding the date of the Prospectus except as mentioned / referred to in this chapter and in the section titled ‘Our Management’, ‘Financial Information’ and ‘Capital Structure’ on page nos. 133 149 and 59 respectively of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoter.

## CONFIRMATIONS

For details on litigations and disputes pending against the Promoter and defaults made by them, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 189 of the Promoter. Our Promoter has not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoter in the past or are pending against them.

## RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled “*Related Party Transactions*” beginning on page 147, our Company has not entered into any related party transactions with our Promoter.



## OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

### PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

#### Relatives of Promoters:

Relationship	Mr. Praveen Rastogi
Spouse	Mrs. Neha Rastogi
Father	Lt. Shree Radheyshyam Rastogi
Mother	Mrs. Jaishree Rastogi
Brother	-
Sister	Mrs. Shikha Gupta, Mrs. Nidhi Gupta and Mrs. Nishi Agarwal
Son	Mr. Madhav
Daughter	Ms. Dilisha
Spouse's father	Mr. Rajendra Kumar
Spouse's Mother	Mrs. Anju Devi
Spouse's Sister	Mrs. Charu Varshney and Ms. Purnima Varshney
Spouse's Brother	Mr. Vivek Varshney

### PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

S.No.	Name of Entity
1.	Praveen Aroma Private Limited
2.	NS Menthol Private Limited
3.	Natural Herbals and Seeds (Partnership Concern)

### GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/ entities', our Company has considered companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other companies as considered material by our Board. Pursuant to a resolution of our Board dated 7<sup>th</sup> November, 2017, for the purpose of disclosure in offer documents for the Issue, a company shall be considered material and will be disclosed as a Group Entity if such company forms part of the Promoter Group, and our Company has entered into one or more transactions with such company in the previous audit fiscal year / period cumulatively exceeding 20% of the total revenue of our Company for such fiscal.

Based on the above, our Company do not have any group entities.

### COMMON PURSUITS

M/s. Praveen Aroma Private Limited, NS Menthol Private Limited and Natural Herbals and Seeds,



Our Promoter Group entities are engaged in the business similar to those carried out by our Company.

#### **LITIGATION/ DEFAULTS**

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled “Outstanding Litigation and Material Developments” beginning on page 189 of this Prospectus.

#### **DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS**

Our Promoters have not disassociated with any of entity during the preceding three (3) years.

#### **INTEREST OF PROMOTER GROUP COMPANIES**

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled “*Related Party Transactions*” beginning on page 147 of the Prospectus.

#### **RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE**

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 147 under section titled as “*Related Party Transactions*”.

#### **SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES**

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company except as stated on page 147 under section titled as “*Related Party Transactions*”.

#### **SICK COMPANIES**

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

#### **CONFIRMATION**

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.



## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 25 of restated financial statement under the section titled “*Financial Information*” on page 149 of the Prospectus.



## DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company in the preceding five financial years.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.



## SECTION V - FINANCIAL INFORMATION

### Independent Auditors' Report

To,  
The Board of Directors,  
Continental Seeds and Chemicals Limited  
Lower Ground Floor, Plot No. 38 Okhla Phase 3  
New Delhi South Delhi DL 110020

Dear Sirs,

We have examined the Financial Information of Continental Seeds and Chemicals Limited (the Company) described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on 26<sup>th</sup> August, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors.

Audit for the financial years ended 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2016, was conducted by M/s. Rastogi and Donald, Chartered Accountants and Audit for the years ended 31<sup>st</sup> March, 2017 and for period ended 31<sup>st</sup> December, 2017 was conducted by M/s. PMAS& Associates LLP, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years / periods.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Continental Seeds and Chemicals Limited, We, M/s. Ramanand& Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

#### **A. Financial Information as per Audited Financial Statements:**

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 which have been approved by the Board of Directors.



Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year / period ended March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies.
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications requiring adjustments.

#### **B. Other Financial Information:**

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at Dec 31, 2017 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2013, 2014, 2015, 2016 and 2017 as set out in **Annexure 8** to this report.
5. Statement of Long Term Borrowings for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 9** to this report.
6. Statement of Other Long Term Liabilities & Provisions for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 10** to this report.
7. Statement of Short Term Borrowings for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 11** to this report.
8. Statement of Details of Current Liabilities & Provisions of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 12** to this report.
9. Statement of Details of Tangible Assets of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 13** to this report.
10. Statement of Details of Non Current Assets of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 14** to this report.
11. Statement of Details of Inventories of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 15** to this report.
12. Statement of Details of Trade Receivables of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 16** to this report.





13. Statement of Details of Short Term Loans & Advances as at March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 17** to this report.
14. Statement of Details of Other Current Assets as at March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 18** to this report.
15. Statement of Details of Revenue from Operations of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 19** to this report.
16. Statement of Details of Other Income of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 set out in **Annexure 20** to this report.
17. Statement of Details of Changes in Inventories of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 set out in **Annexure 21** to this report.
18. Statement of Details of Employee Benefit Expenses of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 set out in **Annexure 22** to this report.
19. Statement of Details of Administrative, Selling and Other Expenses of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 set out in **Annexure 23** to this report.
20. Statement of Details of Financial Expenses of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 set out in **Annexure 24** to this report.
21. Statement of Details of Related Party Transactions of the Company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 as set out in **Annexure 25** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 25 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

**For Ramanand & Associates.**  
**Chartered Accountants**  
Firm Registration No. -117776W  
Sd/-  
**Nikita Jhagrawat**  
**Partner**  
**Membership No. 151930**  
Place: Mumbai  
Date: 28<sup>th</sup> February, 2018



ANNEXURE-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Equity &amp; Liabilities</b>						
<b>Shareholders' Funds</b>						
Share Capital	438.17	125.19	125.19	125.19	125.19	125.19
Reserve & Surplus	194.34	441.11	392.39	376.23	349.64	328.02
<b>Total (A)</b>	<b>632.51</b>	<b>566.30</b>	<b>517.58</b>	<b>501.42</b>	<b>474.83</b>	<b>453.21</b>
<b>Non Current Liabilities</b>						
Share Application Money	-	-	-	-	-	-
Long Term Borrowings	87.51	124.26	104.29	10.00	-	-
Deferred Tax Liabilities (Net)	-	0.94	-	-	-	-
Other Long Term Liabilities& Provisions	46.45	22.81	21.41	18.51	16.23	7.69
<b>Total (B)</b>	<b>134.06</b>	<b>148.01</b>	<b>125.70</b>	<b>28.51</b>	<b>16.23</b>	<b>7.69</b>
<b>Current Liabilities</b>						
Short Term Borrowings	303.76	339.17	297.41	249.25	-	-
Trade Payables	3.14	1.81	213.00	82.01	1.11	0.60
Other Current Liabilities	103.90	149.67	4.30	2.28	1.81	1.42
Short Term Provisions	51.44	61.49	62.72	58.20	49.43	43.78
<b>Total (C)</b>	<b>462.24</b>	<b>552.14</b>	<b>577.43</b>	<b>391.74</b>	<b>52.35</b>	<b>45.80</b>
<b>Total (D=A+B+C)</b>	<b>1228.81</b>	<b>1,266.45</b>	<b>1,220.71</b>	<b>921.67</b>	<b>543.41</b>	<b>506.70</b>
<b>Assets</b>						
<b>Fixed Assets:</b>						
Tangible Assets	136.92	156.13	39.69	49.62	73.18	75.83
Intangible Assets	-	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-	-
Non Current Investments	-	-	-	-	-	-
Deferred Tax Assets (Net)	1.94	-	7.98	6.47	0.83	0.79
Other Non Current Assets	8.91	3.71	59.71	60.61	61.51	61.51
<b>Total (E)</b>	<b>147.77</b>	<b>159.84</b>	<b>107.38</b>	<b>116.70</b>	<b>135.52</b>	<b>138.13</b>
<b>Current Assets</b>						
Current Investments	-	-	-	-	-	-
Inventories	184.78	330.32	301.40	496.85	28.74	38.35
Trade Receivables	653.80	604.15	679.12	151.06	73.67	41.94
Cash & Bank Balances	5.88	4.11	7.11	70.18	156.54	37.72
Short Term Loans & Advances	178.84	85.82	37.14	3.14	57.39	162.05
Other Current Assets	57.74	82.20	88.56	83.74	91.55	88.51
<b>Total (F)</b>	<b>1081.04</b>	<b>1,106.60</b>	<b>1,113.33</b>	<b>804.97</b>	<b>407.89</b>	<b>368.57</b>
<b>Total (G=E+F)</b>	<b>1,228.81</b>	<b>1,266.44</b>	<b>1,220.71</b>	<b>921.67</b>	<b>543.41</b>	<b>506.70</b>



ANNEXURE-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Income</b>						
Revenue from Operations	5756.89	5,818.62	5,837.88	5,781.48	5,463.09	58.07
Other Income	7.78	6.32	6.43	8.85	30.26	38.22
<b>Total</b>	<b>5,764.67</b>	<b>5,824.94</b>	<b>5,844.31</b>	<b>5,790.33</b>	<b>5,493.35</b>	<b>96.29</b>
<b>Expenditure</b>						
Purchases of Stock in Trade	5,393.35	5,637.78	5,472.28	6,074.68	5,370.18	83.78
Changes in Inventories of Stock in Trade	145.54	(28.92)	195.44	(468.11)	9.61	(30.16)
Employee Benefit Expenses	20.39	27.47	27.35	23.31	32.25	2.73
Administrative, Selling and Other Expenses	39.90	35.19	65.12	62.41	44.62	14.06
<b>Total</b>	<b>5,599.78</b>	<b>5,671.52</b>	<b>5,760.19</b>	<b>5,692.29</b>	<b>5,456.66</b>	<b>70.41</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>164.89</b>	<b>153.42</b>	<b>84.12</b>	<b>98.04</b>	<b>36.69</b>	<b>25.88</b>
Depreciation & Amortisations	20.17	20.25	9.93	23.56	7.53	7.65
Preliminary Expenses Written Off	-	-	-	-	-	-
<b>Profit before Interest &amp; Tax</b>	<b>144.72</b>	<b>133.17</b>	<b>74.19</b>	<b>74.48</b>	<b>29.16</b>	<b>18.23</b>
Financial Expenses	50.61	62.49	51.61	35.82	-	-
Exceptional Items	-	-	-	-	-	-
<b>Net Profit before Tax</b>	<b>94.11</b>	<b>70.68</b>	<b>22.58</b>	<b>38.66</b>	<b>29.16</b>	<b>18.23</b>
<b>Less: Exceptional Items</b>	<b>0.19</b>					
<b>Less: Provision for Taxes:</b>						
Current Tax	30.58	13.06	7.93	17.70	7.59	3.27
Deferred Tax	2.87	8.92	(1.51)	(5.64)	(0.05)	(0.08)
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>66.21</b>	<b>48.70</b>	<b>16.16</b>	<b>26.60</b>	<b>21.62</b>	<b>15.04</b>
Extra Ordinary Items	-	-	-	-	-	-
<b>Net Profit</b>	<b>66.21</b>	<b>48.70</b>	<b>16.16</b>	<b>26.60</b>	<b>21.62</b>	<b>15.04</b>



ANNEXURE-03

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxes	94.11	70.68	22.58	38.66	29.16	18.23
Adjustment for:						
Add: Depreciation & Amortizations	20.17	20.25	9.93	23.56	7.53	7.65
Add: Interest & Finance Charges	50.61	62.49	51.61	35.82	-	-
Operating Profit before Working capital changes	<b>164.89</b>	<b>153.42</b>	<b>84.12</b>	<b>98.04</b>	<b>36.69</b>	<b>25.88</b>
Adjustments for:						
Decrease (Increase) in Inventories	145.54	(28.92)	195.45	(468.11)	9.61	(30.16)
Decrease (Increase) in Trade & Other Receivables	(49.65)	74.97	(528.06)	(77.39)	(31.73)	(10.17)
Decrease (Increase) in Short Term Loans & Advances	(93.02)	(48.68)	(34.00)	54.25	104.66	119.95
Decrease (Increase) in Other Current Assets(Excl Taxes)	24.62	(5.49)	3.19	8.74	2.20	3.72
Increase (Decrease) in Trade Payables	1.33	(211.19)	130.99	80.90	0.51	(1.49)
Increase (Decrease) in Short Term Provisions (Excl Taxes)	(16.55)	0.15	0.23	0.62	-	-
Increase (Decrease) in Other Long Term Liabilities& Provisions	23.74	1.40	2.90	2.28	8.54	0.60
Increase (Decrease) in Other Current Liabilities	(45.77)	145.37	2.02	0.47	0.39	(0.61)
Net Changes in Working Capital	<b>(9.76)</b>	<b>(72.39)</b>	<b>(227.28)</b>	<b>(398.24)</b>	<b>94.18</b>	<b>81.84</b>
Cash Generated from Operations	155.13	81.03	(143.16)	(300.20)	130.87	107.72
Taxes	(24.24)	(2.59)	(11.65)	(10.48)	(7.18)	(35.93)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>130.89</b>	<b>78.44</b>	<b>(154.81)</b>	<b>(310.68)</b>	<b>123.69</b>	<b>71.79</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale / (Purchase) of Fixed Assets and CWIP	(0.96)	(136.69)	-	-	(4.88)	(1.66)
Decrease (Increase) in Non Current Assets	3.71	56.00	0.90	0.90	-	(60.97)
Decrease (Increase) in Investments	(8.91)	-	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(6.16)</b>	<b>(80.69)</b>	<b>0.90</b>	<b>0.90</b>	<b>(4.88)</b>	<b>(62.63)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-	-	-
Interest & Finance Charges	(50.61)	(62.49)	(51.61)	(35.82)	-	-
Increase / (Repayment) of Long Term Borrowings	(36.75)	19.97	94.29	10.00	-	-
Increase / (Repayment) of Short Term Borrowings	(35.41)	41.76	48.16	249.25	-	-
Decrease (Increase) in Long Term Loans & Advances	-	-	-	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(122.77)</b>	<b>(0.76)</b>	<b>90.84</b>	<b>223.43</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash</b>	<b>1.96</b>	<b>(3.01)</b>	<b>(63.07)</b>	<b>(86.35)</b>	<b>118.81</b>	<b>9.16</b>



Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Equivalents						
Cash and cash equivalents at the beginning of the year / Period	4.11	7.11	70.18	156.54	37.72	28.56
Cash and cash equivalents at the end of the year/ Period	5.88	4.11	7.11	70.18	156.54	37.72



#### Annexure-04

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT**

#### **A. SIGNIFICANT ACCOUNTING POLICIES:**

##### **1. Basis of Preparation of Financial Statements**

- a. The Restated Financial Information for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017 has been extracted by the management of the Company from the audited financial statements of the company for the year / period ended on March 31, 2013, 2014, 2015, 2016, 2017 and Dec 31, 2017.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956 & 2013.
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

##### **2. Use of Estimates**

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

##### **3. Fixed Assets and Depreciation**

- i. Fixed Assets are shown at historical cost net of recoverable taxes inclusive of incidental expenses less accumulated depreciation.
- ii. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on written down value method using the rates arrived at based on the rates prescribed in the Schedule II to the Companies Act, 2013.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

##### **4. Revenue Recognition**

Revenue is recognized only when it is probable that economic benefits will flow to the company and revenue can be reliably measured.



Revenue from sale of services is recognized pro rata over the period of the contract as and when services are rendered. It is difficult to identify the completion of work due to complexity of the services rendered. Hence the management's confirmation is accepted in identifying the above.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

#### **5. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

#### **6. Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

#### **7. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **8. Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

#### **9. Leases**

##### **Finance Lease**

Leases, which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates



### **Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

### **10. Preliminary Expenses**

Preliminary expenses are amortized as per AS-26 issued by ICAI.

### **11. Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

### **12. Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for:

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company, or
- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

### **13. Foreign Exchange Transactions**

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the yearend are restated at year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii. Non-monetary foreign currency items are carried at cost.
- iv. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year-end rates.
- v. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and loss account except in case of long-





term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS.

There is no change in significant accounting policies during the reporting period. Further Accounting Policies has been changed as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

## C. NOTES ON RESTATED FINANCIAL STATEMENTS

### NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

(Rs. in Lacs)

Financial Year ended	December, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>	March, 31 <sup>st</sup>
	2017	2017	2016	2015	2014	2013
Profit after tax as per Audited Statement of Account(A)	66.21	46.84	16.16	26.60	21.62	15.04
Adjustments*:	-	1.86	-	-	-	-
Profit after tax as per Restated Profit & Loss(A)	66.21	48.70	16.16	26.60	21.62	15.04

\* MAT Credit Utilizations for fiscal 2016-2017 has been reduced from provision of income tax.

### (III) OTHER NOTES

#### General

1. The Company was originally incorporated at New Delhi as "Terai Beej Private Limited" on 22<sup>nd</sup> June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi and Haryana. Consequent upon the conversion of our Company to public limited company, the name of the Company was changed to "Terai Beej Limited" vide fresh certificate of incorporation dated 7<sup>th</sup> May, 1986 issued by the Registrar of Companies, Delhi and Haryana. Thereafter, the name of Company was changed from "Terai Beej Limited" to "Continental Seeds and Chemicals Limited" vide Certificate of Incorporation dated 8<sup>th</sup> May 1986 issued by the Registrar of Companies, Delhi and Haryana. The Registered office of the Company was shifted from Kanpur to Delhi vide Certificate of registration of Regional Director order for Change of State dated 18<sup>th</sup> July, 2016 issued by Asst. Registrar of Companies, Delhi.

#### 2. Contingent liabilities

There are no contingent liabilities

#### 3. Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company has disclosed the same.

#### 4. Segment Reporting

The company operates only in one reportable business segment viz. trading and supply of food grains. Hence, there are no reportable segments under Accounting Standard -17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.



5. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
6. Earnings per Share  
The details of Earnings Per Share as per AS-20 are provided in Annexure 06.
7. Related Party Transactions:  
The details of Related Party Transactions as per AS-18 are provided in Annexure 25.
8. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

#### Annexure- 05

#### STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Profit / (Loss) Brought Forward	188.30	139.60	123.44	96.84	75.22	60.18
Add: Profit / (Loss) for the Year	66.21	48.70	16.16	26.60	21.62	15.04
Add: MAT Credit Utilisations	-	-	-	-	-	-
(Less): Utilised for Bonus Issue	(65.47)	-	-	-	-	-
<b>Profit / (Loss) Carried Forward (A)</b>	<b>189.04</b>	<b>188.30</b>	<b>139.60</b>	<b>123.44</b>	<b>96.84</b>	<b>75.22</b>
Securities Premium Brought Forward	247.50	247.50	247.50	247.50	247.50	247.50
Add: Premium on Shares Issued during the year	-	-	-	-	-	-
(Less): Utilised for Bonus Issue	(247.50)	-	-	-	-	-
<b>Securities Premium Carried Forward (B)</b>	<b>-</b>	<b>247.50</b>	<b>247.50</b>	<b>247.50</b>	<b>247.50</b>	<b>247.50</b>
<b>Capital Reserves (C)</b>	<b>5.30</b>	<b>5.30</b>	<b>5.30</b>	<b>5.30</b>	<b>5.30</b>	<b>5.30</b>
<b>Reserves &amp; Surplus (A+B+C)</b>	<b>194.34</b>	<b>441.10</b>	<b>392.39</b>	<b>376.23</b>	<b>349.64</b>	<b>328.02</b>

#### Annexure- 06

#### STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs, except per share data)

Particulars	31.12.2017	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Worth ( A )	632.51	566.30	509.60	494.95	474.00	452.42
Net Profit after Tax ( B )	66.21	48.70	16.16	26.60	21.62	15.04
No. of Shares outstanding at the end [F.V Rs.10] ( C )	43,81,685	12,51,910	12,51,910	12,51,910	12,51,910	12,51,910
Weighted average number of shares Pre Bonus [F.V Rs.10]( D )	12,51,910	12,51,910	12,51,910	12,51,910	12,51,910	12,51,910
Bonus Shares ( E )	31,29,775	31,29,775	31,29,775	31,29,775	31,29,775	31,29,775
Weighted average number of shares Post Bonus [F.V Rs.10]( F )	43,81,685	43,81,685	43,81,685	43,81,685	43,81,685	43,81,685
Earnings per Share (EPS) ( B / F ) (Rs.)	1.82	1.11	0.37	0.61	0.49	0.34
Return on Net Worth ( B / A)	10.47%	8.60%	3.17%	5.37%	4.56	3.32
Net Assets Value per Share ( A / F)	14.44	12.92	11.63	11.30	10.82	10.33

Definitions of key ratios:



I. **Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue, the bonus share has been added to corresponding year to the extent of free reserves available in the corresponding year. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

II. **Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year.

III. **Net Asset Value (Rs.):** Net Worth at the end of the year / Weighted Average Number of equity shares.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

#### Annexure -07

#### CAPITALIZATION STATEMENT

(Rs. In Lacs)

Particulars	Pre-issue as at 31.12.2017	Post Issue *
Borrowing		
Short - Term Debt	303.77	
Long - Term Debt	87.50	
Total Debt	391.27	
Shareholders' Funds		
Share Capital		
- Equity	438.17	
- Preference	-	
Reserves & Surplus	194.34	
Less: Preliminary Expenses / Pre Operative Expenses	-	
Less: Deferred Tax Assets	-	
Total Shareholders' Funds	632.51	
Long - Term Debt / Shareholders Fund	0.14	
Short - Term Debt / Shareholders Fund	0.48	

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

#### Annexure- 08

#### STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Profit before tax as per Restated P/L	70.68	22.58	38.66	29.16	18.23
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	21.84	6.98	11.95	9.01	5.63
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	(2.20)	(4.00)	1.16	-	-
Exempted Income	-	-	-	-	-



Particulars	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Disallowance	(1.50)	(0.94)	(1.480)	(0.12)	-
Items Chargeable at special rates	6.18	6.25	7.41	17.25	27.05
Other Items	-	-	-	-	-
<b>Net Adjustments</b>	<b>35.69</b>	<b>1.30</b>	<b>(10.95)</b>	<b>16.98</b>	<b>26.80</b>
Tax Saving thereon	11.03	0.40	(3.38)	5.25	8.28
Tax Saving to the the extent of Tax at Notional Rate	11.03	0.40	(3.38)	5.25	5.63
Tax Payable [A]	10.81	6.58	15.33	3.76	-
Tax Payable on items chargeable at special rates [B]	1.34	1.35	1.60	3.73	3.17
Total Tax Payable [C=A+B]	<b>12.15</b>	<b>7.93</b>	<b>16.93</b>	<b>7.50</b>	<b>3.17</b>
Tax Rebates / Credits [D]	-	-	-	-	-
<b>Tax Payable [E=C-D]</b>	<b>12.15</b>	<b>7.93</b>	<b>16.93</b>	<b>7.50</b>	<b>3.17</b>
Tax Payable u/s 115 JB of Income Tax Act [F]	13.47	4.30	7.37	5.56	3.47
<b>Final Tax Payable (Higher of [E] &amp; [F])</b>	<b>13.47</b>	<b>7.93</b>	<b>16.93</b>	<b>7.50</b>	<b>3.47</b>

Annexure - 09

STATEMENT OF DETAILS OF LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Secured:-</b>						
Term Loan from Banks*	58.11	72.26	-	-	-	-
Loan from Financial Institutions	-	-	-	-	-	-
<b>Unsecured**:-</b>						
Loan from Banks and Financial Institutions		22.61	59.29	-	-	-
Loan from Promoters and Directors	29.39	29.39	45.00	10.00	-	-
Loan from Kissandhan Agri finance Services Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>87.51</b>	<b>124.26</b>	<b>104.29</b>	<b>10.00</b>	<b>-</b>	<b>-</b>

\*Secured by hypothecation of plant and machinery.

\*\* Unsecured, repayable on call

Annexure - 10

STATEMENT OF DETAILS OF OTHER LONG TERM LIABILITIES& PROVISIONS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Dealers Security Deposit	18.07	18.06	14.66	17.76	14.79	7.69
Other Advances Received	27.45	3.82	5.97	-	1.44	-
Provision for Gratuity	0.93	0.93	0.78	0.75	-	-
<b>Total</b>	<b>46.45</b>	<b>22.81</b>	<b>21.41</b>	<b>18.51</b>	<b>16.23</b>	<b>7.69</b>



Annexure - 11

STATEMENT OF DETAILS OF SHORT TERM BORROWINGS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Secured:-</b>						
Working Capital loan from HDFC Bank*	303.76	301.93	297.41	249.25		
Current Maturity of Term Loan**		17.21				
<b>Unsecured:-</b>						
Current Maturity of Unsecured Loan***		20.03	-	-	-	-
<b>Total</b>	<b>303.76</b>	<b>339.17</b>	<b>297.41</b>	<b>249.25</b>	<b>-</b>	<b>-</b>

\* Secured by hypothecation of stock and book debts and personal guarantee of promoters.

\*\* Secured by hypothecation of plant and machinery.

\*\*\* Unsecured, repayable on call

Annexure - 12

STATEMENT OF DETAILS OF CURRENT LIABILITIES AND PROVISIONS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Current Liabilities</b>						
<b>Trade Payables</b>						
Due to Farmers and Creditors for materials	-	-	210.32	80.42	0.41	0.30
Other Creditors for Expenses	3.14	1.81	2.68	1.59	0.70	0.30
<b>Sub Total (A)</b>	<b>3.14</b>	<b>1.81</b>	<b>213.00</b>	<b>82.01</b>	<b>1.11</b>	<b>0.60</b>
<b>Other Current Liabilities</b>						
Expenses Payable	4.37	3.39	3.85	2.18	1.77	1.36
Duties and Taxes Payable	0.14	0.05	0.05	0.10	0.04	0.06
Advance Received from customers	53.06	146.23	-	-	-	-
Current Maturity of Term loan	18.61	-	-	-	-	-
Current Maturity of Unsecured loan	27.70	-	-	-	-	-
<b>Sub Total (B)</b>	<b>103.88</b>	<b>149.67</b>	<b>4.30</b>	<b>2.28</b>	<b>1.81</b>	<b>1.42</b>
<b>Provisions</b>						
Provision for Taxes	50.80	60.49	61.87	57.58	49.43	43.78
Provision for Bonus and Leave encashment	0.64	1.00	0.85	0.62	-	-
<b>Sub Total (C)</b>	<b>51.44</b>	<b>61.49</b>	<b>62.72</b>	<b>58.20</b>	<b>49.43</b>	<b>43.78</b>
<b>Total (A+B+C)</b>	<b>158.46</b>	<b>250.20</b>	<b>280.02</b>	<b>142.49</b>	<b>52.35</b>	<b>45.80</b>

Annexure - 13

STATEMENT OF DETAILS OF TANGIBLE ASSETS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Land	13.91	13.91	13.91	13.91	13.91	13.91
Building	22.22	23.28	24.78	32.74	43.27	48.08
Plant & Machinery	94.71	111.62	0.90	2.59	11.99	9.49
Furniture and Fixtures	-	-	-	0.01	0.68	0.85
Electrical Fittings and Equipment	-	-	-	-	0.51	0.59
Vehicles	0.04	0.06	0.08	0.26	1.38	1.24
Office Equipment	-	-	-	-	0.63	0.72
Air Conditioner	0.005	0.01	0.02	0.11	0.72	0.84
Computers	-	-	-	-	0.04	0.07



Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Lab Testing Equipment	1.12	1.45	-	-	0.05	0.04
DG Sets	4.13	4.87	-	-	-	-
Weighing Machines	0.79	0.93	-	-	-	-
<b>Total</b>	<b>136.92</b>	<b>156.13</b>	<b>39.69</b>	<b>49.62</b>	<b>73.18</b>	<b>75.83</b>

Annexure - 14

STATEMENT OF DETAILS OF OTHER NON CURRENT ASSETS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Security Deposit for Office	1.35	-	-	0.90	1.80	1.80
Security Deposit for Utilities	0.29	0.24	0.24	0.24	0.24	0.24
Advance for Land	3.47	3.47	59.47	59.47	59.47	59.47
Capital Expenditure to extend not written off	3.85					
<b>Total</b>	<b>8.91</b>	<b>3.71</b>	<b>59.71</b>	<b>60.61</b>	<b>61.51</b>	<b>61.51</b>

Annexure - 15

STATEMENT OF DETAILS OF INVENTORIES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Stock of Food grains	184.17	330.32	301.40	496.85	28.74	38.35
<b>Total</b>	<b>184.17</b>	<b>330.32</b>	<b>301.40</b>	<b>496.85</b>	<b>28.74</b>	<b>38.35</b>

Annexure - 16

STATEMENT OF DETAILS OF TRADE RECEIVABLES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>(A) Unsecured, Considered good outstanding for a period less than six months</b>						
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
Others	501.32	477.85	82.24	69.18	32.24	2.63
<b>(B) Unsecured, Considered good outstanding for a period more than six months</b>						
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
Others	152.48	126.30	596.82	81.88	41.43	39.31
<b>Total</b>	<b>653.80</b>	<b>604.15</b>	<b>679.12</b>	<b>151.06</b>	<b>73.67</b>	<b>41.94</b>

Annexure - 17

STATEMENT OF DETAILS OF SHORT TERM LOANS AND ADVANCES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Advances to Suppliers and Farmers Advance	178.58	85.56	1.83	1.83	57.32	16.95
Advance for materials	-	-	-	-	-	145.10
Advances for Expenses	0.26	0.26	0.31	1.31	0.07	-
Advances for Machinery	-	-	35.00	-	-	-
<b>Total</b>	<b>178.84</b>	<b>85.82</b>	<b>37.14</b>	<b>3.14</b>	<b>57.39</b>	<b>162.05</b>



Annexure - 18

STATEMENT OF DETAILS OF OTHER CURRENT ASSETS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Rent Receivable	1.18	4.22	1.36	0.96	0.25	0.45
Prepaid Expenses	1.25	0.36	0.32	0.31	0.17	0.23
Misc. Advances	-	0.87	-	-	-	-
MAT Credit Entitlement	-	25.68	23.96	27.58	37.15	39.09
Balances with Statutory Authorities	51.67	51.07	62.92	54.91	53.98	48.74
CGST& SGST	3.63					
<b>Total</b>	<b>57.73</b>	<b>82.20</b>	<b>88.56</b>	<b>83.74</b>	<b>91.54</b>	<b>88.51</b>

Annexure - 19

STATEMENT OF DETAILS OF REVENUE OF OPERATIONS

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Sale of Traded Goods	5756.89	5,818.62	5,837.88	5,781.48	5,463.09	58.07
<b>Total</b>	<b>5,756.89</b>	<b>5,818.62</b>	<b>5,837.88</b>	<b>5,781.48</b>	<b>5,463.09</b>	<b>58.07</b>

Annexure - 20

STATEMENT OF DETAILS OF OTHER INCOME

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Rent Income	7.78	6.18	6.24	7.41	17.25	27.06
Income from Weight Bridge	-	0.14	0.19	1.43	1.02	1.27
Interest Income	-	-	-	0.01	11.99	9.99
<b>Total</b>	<b>7.78</b>	<b>6.32</b>	<b>6.43</b>	<b>8.85</b>	<b>30.26</b>	<b>38.22</b>

Annexure - 21

STATEMENT OF DETAILS OF CHANGES IN INVENTORIES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b>Traded Goods of Food Grains:</b>						
Opening Stock	330.32	301.41	496.85	28.74	38.35	8.19
(Less) : Closing Stock	184.17	(330.32)	(301.41)	(496.85)	(28.74)	(38.35)
<b>(Increase) / Decrease in Stock</b>	<b>145.54</b>	<b>(28.92)</b>	<b>195.44</b>	<b>(468.11)</b>	<b>9.61</b>	<b>(30.16)</b>

Annexure - 22

STATEMENT OF DETAILS OF EMPLOYEE BENEFIT EXPENSES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Director Remuneration	3.13	2.00	1.80	1.80	1.74	-
Salary and Wages	16.31	24.06	24.37	19.91	29.81	2.66
Staff Welfare Expenses	0.19	0.26	0.30	0.23	0.70	0.07
Provision for Gratuity	0.11	0.15	0.03	0.58	-	-
Provision for Leave Encashment	0.04	0.06	0.04	0.05	-	-
Provision for Bonus	0.61	0.94	0.81	0.74	-	-
<b>Total</b>	<b>20.38</b>	<b>27.47</b>	<b>27.35</b>	<b>23.31</b>	<b>32.25</b>	<b>2.73</b>



Annexure - 23

STATEMENT OF DETAILS OF ADMINISTRATIVE, SELLING AND OTHER EXPENSES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Audit Fees	0.93	0.86	0.86	0.86	0.84	0.56
Conveyance Expenses	-	0.42	0.94	0.72	0.65	0.05
Insurance Expenses	2.04	1.87	1.46	1.09	0.51	0.58
Professional Fees	8.84	0.93	2.09	0.32	0.59	-
Rent-Office	1.60	0.36	2.73	3.60	5.39	2.90
Chemical Purchase / Stores Consumption	0.58	-	0.40	0.52	0.44	0.27
Office Repairs & Maintenance	5.33	1.30	2.49	1.72	2.40	0.70
Power& Fuel	3.94	4.35	1.68	1.60	1.08	0.32
ROC Fees			-	0.06	0.06	0.24
Debtors Written Off			-	4.60	-	-
Inspection & Registration Charges	3.54	3.61	5.34	5.35	1.99	-
Rebate & Discounts	-	(0.85)	31.11	11.55	6.59	-
Interest on TDS	0.05	0.10	0.06	0.11	0.01	-
Interest on Income Tax	0.13	0.48	-	-	-	-
Loading & Unloading Expenses	1.42	4.57	4.96	1.65	1.00	-
Printing & Stationery	0.22	0.24	0.59	0.20	0.16	0.56
Bardana & Packing	9.27	9.20	2.98	23.22	21.18	7.24
Postage & Telephone Expenses	-	0.39	1.07	0.22	0.62	0.24
Travelling Expenses	0.62	1.77	1.29	1.61	0.48	0.09
Miscellaneous Expenses	0.47	0.10	0.16	0.28	0.26	0.08
Warehouse Management Charges	-	3.79	3.35	3.13	-	-
Repairs & Maintenance-Vehicles	-	0.43	0.46	-	-	-
Transportation	-	0.87	0.76	-	-	-
Water Charges	-	0.12	0.13	-	0.13	0.04
Weight Bridge Expenses	-	0.14	0.12	-	0.13	0.03
Computer Repairs & Maintenance	-	0.14	0.08	-	0.10	0.16
Advertisement & Publicity Exp	0.16	-	-	-	-	-
Short & Excess		-	0.01	-	-	-
Electricity Exp. Delhi	-	-	-	-	-	-
<b>Total</b>	<b>40.08</b>	<b>35.19</b>	<b>65.12</b>	<b>62.41</b>	<b>44.62</b>	<b>14.06</b>

Annexure - 24

STATEMENT OF DETAILS OF FINANCIAL EXPENSES

(Rs. In Lacs)

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Interest	49.62	53.92	47.79	33.86	-	-
Other Borrowing Costs	0.99	8.57	3.82	1.96	-	-
<b>Total</b>	<b>50.61</b>	<b>62.49</b>	<b>51.61</b>	<b>35.82</b>	<b>-</b>	<b>-</b>



Annexure-25

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)

Particulars	Relationship	Name	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
<b><u>REVENUE ITEMS :</u></b>								
<b><u>Advance for material</u></b>								
Opening Bal. (Dr)	KMP are same	Praveen Aroma Pvt. Ltd.					145.10	66.99
Paid during the year (Dr)			-	-	-	-	110.76	124.36
Recd. Back (Cr)							255.86	46.25
Bal. (Dr)							0.00	145.10
<b><u>Rent receivable</u></b>								
Opening Bal. (Dr)	KMP are same	Praveen Aroma Pvt. Ltd.	0.15	0.15	0.15	0.15	0.15	0.00
Receivable (Dr)			0.00	1.80	1.80	1.80	1.80	1.80
Received (Cr)			0.15	1.80	1.80	1.80	1.80	1.65
Balance (Dr)			0.00	0.15	0.15	0.15	0.15	0.15
<b><u>Rent receivable</u></b>								
Opening Bal. (Dr)	KMP are partners in firm	Natural Herbals & Seeds	0.10	0.10	0.10	0.10	0.10	0.45
Receivable (Dr)			1.008	1.20	1.20	1.20	1.20	1.20
Received (Cr)			1.108	1.20	1.20	1.20	1.20	1.55
Balance (Dr)			0.00	0.10	0.10	0.10	0.10	0.10
<b><u>Remuneration payable</u></b>								
Opening (Cr)	Director	Mr. Sachin Rastogi	0.34	0.30	0.00	0.15	0.00	
Payable (Cr)			1.63	2.00	1.80	1.80	1.74	
Paid (Dr)			1.78	1.96	1.50	1.95	1.59	-
Balance (Cr)			0.19	0.34	0.30	0.00	0.15	
<b><u>Remuneration payable</u></b>								
Opening (Cr)	Managing Director	Mr. Praveen Rastogi	0.00					
Payable (Cr)			1.38	-	-	-	-	
Paid (Dr)			0.00					
Balance (Cr)			1.38					
<b><u>Unsecured Loan</u></b>								
Opening Bal. (Cr)	Director	Mr. Praveen Rastogi	29.39	45.00	10.00	0.00		-

Particulars	Relationship	Name	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Received (Cr)			0.00	0.00	35.00	10.00		
Paid (Dr)			0.00	15.61	0.00	0.00		
Balance (Cr)			29.39	29.39	45.00	10.00		
<b><u>Loans &amp; Advance</u></b>								
Opening Bal. (Dr)			0.00					
Paid (Dr)	Wife of Mr. Praveen Rastogi	Mrs. Neha Rastogi	2.00	-	-	-	-	-
Received (Cr)			2.00					
Balance (Dr)			0.00					



## FINANCIAL INDEBTEDNESS

As on December 31, 2017, our Company has availed secured borrowings of Rs. 360.29 lacs and unsecured borrowings outstanding of Rs. 263.08 lacs. Set forth below is a brief summary of our aggregate outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on June 30, 2017.

Name of Lender	Purpose	Loan A/c No.	Sanctioned Amount	Rate of Interest (%)	Security	Repayment Schedule	Outstanding Amount as on 30 <sup>th</sup> June, 2017
HDFC Bank	Term Loan (Working Capital)	-	Rs. 100.00 Lacs	10.50%	Hypothecation of Stock, Book Debts and the personal Gurantee of Directors with Collateral security of Immovable property of the Company	Monthly	58.11 Lacs
HDFC Bank	Cc Limit (Working Capital)	-	Rs. 300 Lacs	10.50% (Base rate +1.20%)		Monthly	303.76 Lacs

### Unsecured Loan:-

Name	Amount outstanding as on 31st December, 2017
Mr. Praveen Rastogi	29.39 Lacs
<b>Total</b>	<b>29.39 lacs</b>



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our audited restated financial statements for the financial period ended December 31, 2017 and for the financial years ended March 2017, 2016, 2015, 2014 and 2013 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Information*" on page 149 of this Prospectus. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" on pages 15 and 14, of this Prospectus beginning respectively.

### INDUSTRY OVERVIEW

#### Global Economic Overview

The pickup in global growth anticipated in the April World Economic Outlook remains on track, with global output projected to grow by 3.5 percent in 2017 and 3.6 percent in 2018. The unchanged global growth projections mask somewhat different contributions at the country level. U.S. growth projections are lower than in April, primarily reflecting the assumption that fiscal policy will be less expansionary going forward than previously anticipated. Growth has been revised up for Japan and especially the euro area, where positive surprises to activity in late 2016 and early 2017 point to solid momentum. China's growth projections have also been revised up, reflecting a strong first quarter of 2017 and expectations of continued fiscal support. Inflation in advanced economies remains subdued and generally below targets; it has also been declining in several emerging economies, such as Brazil, India, and Russia.

While risks around the global growth forecast appear broadly balanced in the near term, they remain skewed to the downside over the medium term. On the upside, the cyclical rebound could be stronger and more sustained in Europe, where political risk has diminished. On the downside, rich market valuations and very low volatility in an environment of high policy uncertainty raise the likelihood of a market correction, which could dampen growth and confidence. The more supportive policy tilt in China, especially strong credit growth, comes with rising downside risks to medium-term growth. Monetary policy normalization in some advanced economies, notably the United States, could trigger a faster-than-anticipated tightening in global financial conditions. And other risks discussed in the April 2017 WEO, including a turn toward inward-looking policies and geopolitical risks, remain salient.

Projected global growth rates for 2017-18, though higher than the 3.2 percent estimated for 2016, are below pre-crisis averages, especially for most advanced economies and for commodity-exporting emerging and developing economies. Among the former, many face excess capacity as well as headwinds to potential growth from aging populations, weak investment, and slowly advancing productivity. In view of weak core inflation and muted wage pressures, policy settings should remain consistent with lifting inflation expectations in line with targets, closing



output gaps, and—where appropriate—external rebalancing. Reforms to boost potential output are of the essence, and slow aggregate output growth makes it even more important that gains are shared widely across the income distribution. Financial stability risks need close monitoring in many emerging economies. Commodity exporters should continue adjusting to lower revenues, while diversifying their sources of growth over time.

### **The Global Economy Maintains Momentum**

The cyclical recovery continues. Growth outturns in the first quarter of 2017 were higher than the April WEO forecasts in large emerging and developing economies such as Brazil, China, and Mexico, and in several advanced economies including Canada, France, Germany, Italy, and Spain. High-frequency indicators for the second quarter provide signs of continued strengthening of global activity. Specifically, growth in global trade and industrial production remained well above 2015-16 rates despite retreating from the very strong pace registered in late 2016 and early 2017. Purchasing managers' indices (PMIs) signal sustained strength ahead in manufacturing and services.

Commodities and inflation. Oil prices have receded, reflecting strong inventory levels in the United States and a pickup in supply. Headline inflation also generally softened as the impact of the commodity price rebound of the second half of 2016 faded, and remains at levels well below central bank targets in most advanced economies. Core inflation has remained broadly stable. It has largely been stable in emerging economies as well, with a few, such as Brazil and Russia, witnessing strong declines.

Bond and equity markets. Long-term bond yields in advanced economies, which had declined since March, rebounded in late June and early July. The U.S. Federal Reserve raised short-term interest rates in June, but markets still expect a very gradual path of U.S. monetary policy normalization. Bond spreads over Germany have compressed sharply in France, Italy, and Spain on reduced electoral uncertainty and firming signs of recovery. Equity prices in advanced economies remain strong, signaling continued market optimism regarding corporate earnings. Markets are also optimistic about emerging market prospects as reflected in strengthening equity markets and some further compression of interest rate spreads. Oil exporters provide an exception to this pattern, in light of the marked weakening of oil prices since March.

Exchange rates and capital flows. As of end-June, the U.S. dollar has depreciated by around 3½ percent in real effective terms since March, while the euro has strengthened by a similar amount on increased confidence in the euro area recovery and a decline in political risk. Over the same period, exchange rate changes across emerging market currencies have been relatively modest, with some strengthening of the Mexican peso on tighter monetary policy and reduced concerns about U.S. trade frictions, and a depreciation of the Brazilian real on renewed political uncertainty. Capital flows to emerging economies have been resilient in the first few months of 2017, with a notable pickup in non-resident portfolio inflows.

### **Global Growth Forecast to Pick up in 2017 and 2018**

Global growth for 2016 is now estimated at 3.2 percent, slightly stronger than the April 2017 forecast, primarily reflecting much higher growth in Iran and stronger activity in India following national accounts revisions. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate in 2017, to 2 percent and 4.6 percent respectively, with global growth projected to be 3.5 percent, unchanged from the April forecast. The growth forecast for 2018 is 1.9 percent for advanced economies, 0.1 percentage point below the April 2017 WEO, and 4.8 percent for emerging and developing economies, the same as in the spring. The 2018 global growth forecast is unchanged at 3.6 percent. The revisions reflect primarily the macroeconomic implications of changes in policy assumptions for the world's two largest economies, the United States and China, as discussed below.



## Advanced economies

- The growth forecast in the United States has been revised down from 2.3 percent to 2.1 percent in 2017 and from 2.5 percent to 2.1 percent in 2018. While the markdown in the 2017 forecast reflects in part the weak growth outturn in the first quarter of the year, the major factor behind the growth revision, especially for 2018, is the assumption that fiscal policy will be less expansionary than previously assumed, given the uncertainty about the timing and nature of U.S. fiscal policy changes. Market expectations of fiscal stimulus have also receded.
- The growth forecast has also been revised down for the United Kingdom for 2017 on weaker-than-expected activity in the first quarter.
- By contrast, growth projections for 2017 have been revised up for many euro area countries, including France, Germany, Italy, and Spain, where growth for the first quarter of 2017 was generally above expectations. This, together with positive growth revisions for the last quarter of 2016 and high-frequency indicators for the second quarter of 2017, indicate stronger momentum in domestic demand than previously anticipated.
- The growth forecast for 2017 was also revised up for Canada, where buoyant domestic demand boosted first-quarter growth to 3.7 percent and indicators suggest resilient second-quarter activity, and marginally for Japan, where private consumption, investment, and exports supported first-quarter growth.

## Emerging and developing economies

Emerging and developing economies are projected to see a sustained pickup in activity, with growth rising from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.8 percent in 2018. These forecasts reflect upward revisions, relative to April, of 0.2 percentage point for 2016, and 0.1 percentage point for 2017. As in the most recent WEO forecast vintages, growth is primarily driven by commodity importers, but its pickup reflects to an important extent gradually improving conditions in large commodity exporters that experienced recessions in 2015-16, in many cases caused or exacerbated by declining commodity prices.

- **China's** growth is expected to remain at 6.7 percent in 2017, the same level as in 2016, and to decline only modestly in 2018 to 6.4 percent. The forecast for 2017 was revised up by 0.1 percentage point, reflecting the stronger than expected outturn in the first quarter of the year underpinned by previous policy easing and supply-side reforms (including efforts to reduce excess capacity in the industrial sector). For 2018, the upward revision of 0.2 percentage point mainly reflects an expectation that the authorities will delay the needed fiscal adjustment (especially by maintaining high public investment) to meet their target of doubling 2010 real GDP by 2020. Delay comes at the cost of further large increases in debt, however, so downside risks around this baseline have also increased.
- **Growth in India** is forecast to pick up further in 2017 and 2018, in line with the April 2017 forecast. While activity slowed following the currency exchange initiative, growth for 2016--at 7.1 percent--was higher than anticipated due to strong government spending and data revisions that show stronger momentum in the first part of the year. With a pickup in global trade and strengthening domestic demand, growth in the ASEAN-5 economies is projected to remain robust at around 5 percent, with generally strong first quarter outturns leading to a slight upward revision for 2017 relative to the April WEO.
- **In Emerging and Developing Europe**, growth is projected to pick up in 2017, primarily driven by a higher growth forecast for Turkey, where exports recovered strongly in the last quarter of 2016 and the first quarter of 2017 following four quarters of moderate contraction, and external demand is projected to be stronger with improved prospects for euro area trading partners. The Russian economy is projected to recover gradually in 2017 and 2018, in line with the April forecast.



- After contracting in 2016, economic activity in **Latin America** is projected to recover gradually in 2017-18 as a few countries—including Argentina and Brazil—exit their recessions. In comparison to the April 2017 WEO, Brazil's growth forecast for 2017 is now higher in light of the strong first quarter, but ongoing weakness in domestic demand and an increase in political and policy uncertainty will be reflected in a more subdued pace of recovery, and hence in lower projected growth in 2018. Mexico's growth forecast for 2017 is revised up from 1.7 to 1.9 percent on the back of strong activity in the first quarter of the year, with an unchanged forecast for 2018. Revisions for the rest of the region are mostly to the downside, including a further deterioration of conditions in Venezuela.
- Growth in the **Middle East, North Africa, Afghanistan, and Pakistan** region is projected to slow considerably in 2017, reflecting primarily a slowdown in activity in oil exporters, before recovering in 2018. The 2017-18 forecast is broadly unchanged relative to the April 2017 WEO, but the growth outcome in 2016 is estimated to have been considerably stronger in light of higher growth in Iran. The recent decline in oil prices, if sustained, could weigh further on the outlook for the region's oil exporters.
- In **Sub-Saharan Africa**, the outlook remains challenging. Growth is projected to rise in 2017 and 2018, but will barely return to positive territory in per capita terms this year for the region as a whole—and would remain negative for about a third of the countries in the region. The slight upward revision to 2017 growth relative to the April 2017 WEO forecast reflects a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to better rainfall and an increase in mining output prompted by a moderate rebound in commodity prices. However, the outlook for South Africa remains difficult, with elevated political uncertainty and weak consumer and business confidence, and the country's growth forecast was consequently marked down for 2018.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2017/07/07/world-economic-outlook-update-july-2017>)

## Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

## Market size

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

The tax collection figures between April 2016 and January 2017 show an increase in Net Indirect taxes by 16.9 per cent and an increase in Net Direct Taxes by 10.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million.



Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves stood at US\$ 366.781 billion as on March 17, 2017 as compared to US\$ 360 billion by end of March 2016, according to data from the RBI.

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

Growth in FY2017 (ending 31 March 2018) is expected to be lower than forecast in the Asian Development Outlook 2017 as a new tax regime poses transitory challenges to firms and as investment by state governments and private investors remain muted. A pickup is envisaged in FY2018, aided by restructured bank balance sheets and efficiency gains from the new tax regime, but growth will again fall short of the April forecast. Stronger agriculture will ease inflation by more than expected in FY2017 and FY2108. Current account projections are unchanged.

## Economic forecasts for South Asian countries

GDP growth (%, year)	Inflation (%, year)	Current account balance (% of GDP)
Country	2017 <sup>f</sup>	2018 <sup>f</sup>
Afghanistan	2.5	3.0
Bangladesh	7.2	6.9
Bhutan	6.0	8.0
India	7.0	7.4
Maldives	4.2	4.4
Nepal	6.9	4.7
Pakistan	5.3	5.5
Sri Lanka	4.5	5.0
Average	6.7	7.0

f = forecast number.

(Source: <https://www.adb.org/countries/india/economy>)

## OVERVIEW OF AGRICULTURE INDUSTRY

### Introduction

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. As per the 2nd advised estimates by the Central Statistics Office (CSO), the





share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is estimated to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices.

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

### Market Size

India's GDP is expected to grow at 7.1 per cent in FY 2016-17, led by growth in private consumption, while agriculture GDP is expected to grow above-trend at 4.1 per cent to Rs 1.11 trillion (US\$ 1,640 billion).\$ It ranks third in farm and agriculture outputs. As per the 2nd Advance Estimates, India's food grain production is expected to be 271.98 MT in 2016-17. Wheat production in India is expected to touch an all-time high of 96.6 MT during 2016-17.! Production of pulses is estimated at 22.14 MT.

India has been the world's largest producer of milk for the last two decades and contributes 19 per cent of the world's total milk production.++

India is emerging as the export hub of instant coffee which has led to exports of coffee reaching 177,805 tonnes valued at US\$ 447 million between April-August 2017, as against 162,641 tonnes valued at US\$ 363.1 million during the same period last year.

India topped the list of shrimp exporters globally, as the value-added shrimp exports rose 130 per cent year-on-year to 23,400 tonnes in 2016.

The production of food grains in India reached a record 275.68 million tonnes (MT) during FY 2016-17, as per the Fourth Advance Estimates (AE) released by the Department of Agriculture, Cooperation and Farmers Welfare, Government of India.

The total sown area for kharif crops was 68.53 million hectares as on July 2017, compared to 67.34 million hectares on July, 2016.

India is the second largest fruit producer in the world. India's horticulture output, is estimated to be 287.3 million tonnes (MT) in 2016-17 after the first advance estimate.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. India's exports of basmati rice may rise to Rs 22,000-22,500 crore (US\$ 3.42-3.49 billion), with volume to around 4.09 MT in 2017-18, backed by a rise in average realisations.# Groundnut exports from India are expected to cross 700,000 tonnes during FY 2016-17 as compared to 537,888 tonnes during FY 2015-16, owing to the expected 70 per cent increase in the crop size due to good monsoons. India's groundnut exports rose to 653,240 MT during April 2016-February 2017.@ India is the largest producer, consumer and exporter of spices and spice products. Spices exports from India grew by 9 per cent in volume and 5 per cent in value year-on-year to 660,975 tonnes and US\$ 1.87 billion respectively, during April-December 2016.^

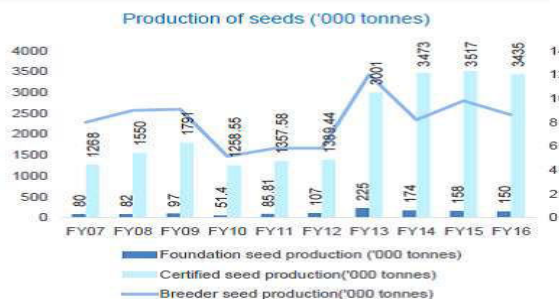
The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020@@@.

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

## HISTORY OF SEEDS INDUSTRY IN INDIA

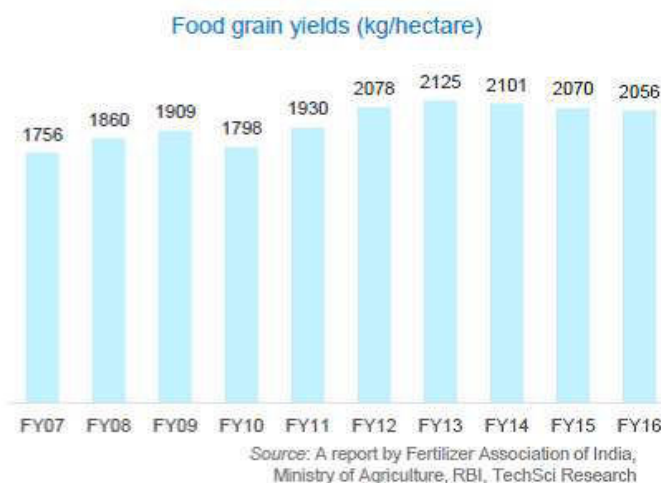
### GROWING YIELD AND USE OF QUALITY SEEDS ... (1/2)

- ★ In FY16, production of foundation seeds reached 149,542 tonnes from 74,800 tonnes in FY06.
- ★ There has been strong growth in the use of hybrid seeds due to their high yield and resistance.
- ★ Usage of hybrid seeds has been more prevalent in cash crops than food crops.
- ★ In FY16, production of certified seeds increased to 3.4 million tonnes from 1.4 million tonnes in FY06.



### GROWING YIELD AND USE OF QUALITY SEEDS ... (2/2)

- ★ Usage of hybrid seeds has boosted the yield of food grains to 2,056 kg/ hectare in FY16 from 1,756 kg/ hectare in FY07
- ★ The government has been playing a proactive role in promoting greater use of hybrid seeds; it encourages private seed companies by providing a subsidy of 25 per cent of the capital cost subject to a maximum of USD50,000 per unit.
- ★ The government of India has targeted production of 270.1 million tonnes (MT) of food grains for FY17



(Source: <https://www.ibef.org/download/Agriculture-May-2017.pdf>)

## Seed Industry in India: Market Trends, Structure, Growth, Key Players and Forecast

The agricultural sector is highly dependent on the availability and quality of seeds for a productive harvest. Therefore, in order to increase the quantity and quality of produce, efforts are made to introduce enhanced varieties of seeds with the help of advance technology and modern agricultural methods. In India, agriculture is the dominant occupation, which secures abundant opportunities for seeds market in the region. According to IMARC Group's latest report titled, "Seed Industry in India: Market Trends, Structure, Growth, Key Players and Forecast 2017-2022", the Indian seeds market reached a value of more than US\$ 3 Billion in 2016, exhibiting a CAGR of around 17% during 2009-2016.



The Indian seed market has witnessed a major restructuring as a result of the implementation of some progressive policies by the government. Seed Development, 1988 and National Seed Policy, 2002 have helped in strengthening the Indian seed industry in the areas of R&D, product development, supply chain management and quality assurance. Owing to this, India has emerged as the fifth largest seed market across the globe. Moreover, the active participation of both, public and private sectors has also played a vital role in laying a strong foundation of the industry. This includes launching initiatives to promote the use of hybrid seeds among the farmers who had earlier used outmoded open pollinated varieties. Some other growth-inducing forces, such as growth in income levels, commercialization of agriculture, patent protection systems and intellectual rights over plant varieties, have given a great push to the market. Owing to these factors, the Indian seeds market is further expected to grow at a CAGR of more than 15% during 2017-2022, reaching a value of more than US\$ 7 Billion by 2022.

(Source: [https://www.researchandmarkets.com/research/ffc43l/seed\\_industry\\_in](https://www.researchandmarkets.com/research/ffc43l/seed_industry_in))

## BUSINESS OVERVIEW

Our Company was originally incorporated at New Delhi as “Terai Beej Private Limited” on 22nd June, 1983 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. Consequent, upon the conversion of our Company into public limited company, the name of our Company was changed to “Terai Beej Limited” and fresh certificate of incorporation dated 7th May, 1986 was issued by the Asstt. Registrar of Companies, Delhi & Haryana. Subsequently, the name of the Company was changed to “Continental Seeds and Chemicals Limited” vide Fresh Certificate of Incorporation dated 8th May, 1986 issued by Addl. Registrar of Companies, Delhi & Haryana.

In the year 1983, Capt. Vijay Neil Kumar and Mr. Abhey Yograj laid the foundation of our Company as a private limited Company in the name of M/s Terai Beej Private Limited and in December, 2011, Our Present Promoter i.e. Mr. Praveen Rastogi took the control of our Company from erstwhile promoters.

Our Company is engaged in the business of developing, processing, grading and supplying of all kind of agricultural foundation and certified seeds and trading of Mentha Oil. Our Company is engaged in the whole process of processing in varieties of seeds, foundation seed and processing of the same into certified seeds. Seed processing is a vital part of the seed production needed to move the improved genetic materials of the plant breeder into commercial channels for feeding the rapidly expanding world population. The farmer must get the quality seed that is free from all undesired materials because farmer’s entire crop depends on it.

Seed can seldom be planted in the condition in which it comes from the growers. In fact, many seed lots contain weed or crop seed or inert material that make them unfit for sale without processing. Crop seed also frequently have stems, awns, clusters or other structures, which prevent from flowing through the drill freely.

Our Company also obtains seed certification certificate from Uttarakhand State Seed and Organic Production Certification Agency from time to time for our products.

Our Company is having two units at:

- i) Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand -262401; and
- ii) Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jalaun, U.P.

Our Company is registered with Uttarakhand Seeds certification agency and having total production capacity of company is 7080 MT per annum at plant situated at Ram Raj Road, Bazpur, Distt. Udham Singh Nagar, Uttarakhand - 262401 at which our Company currently carry processing of seeds. Our processing unit situated in Village- Rahiya, Opp. Roadways work shop on Kanpur Orai Highway, Orai, Distt. Jalaun, U.P. is currently not functional.

With dedicated team of researchers, the company is conscious of the changing needs of farmers and consumers to design and develop productive hybrids that excel in market and fetch rewarding returns. The focus centers round



combined use of conventional breeding and biotechnology to shift the yield frontier and stabilize it through incorporation of genetic resistance to biotic and abiotic stresses. Encountering the challenges faced by the farmers is the business motto for our research innovation.

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIAL STATEMENTS**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors in its meeting held on 28<sup>th</sup> August, 2017 have appointed Mr. Utpal Tandon as Chief Financial officer of the Company;
2. The Company, on 30<sup>th</sup> September, 2017, appointed Mr. Prashant Rastogi as an Independent Director and Mr. Abhinav Mishra as Company Secretary;
3. The Company, on 30<sup>th</sup> September, 2017 approved the Shifting the registered office of the Company;
4. The Company, on 30<sup>th</sup> September, 2017 approved the adoption of new set of Articles of Association and Memorandum of Association;
5. The Board of Directors, on 7<sup>th</sup> November, 2017 approved to raise the Funds through Initial public Issue;
6. The shareholders approved and passed a special resolution on 1<sup>st</sup> December, 2017 to authorize the Board of Directors to raise the funds through issue Initial Public issue; and
7. The shareholders approved and passed a special resolution on 1<sup>st</sup> December, 2017 to authorize the Board of Directors to Borrow the Funds.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 15 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and quality of our product;
- Branding and marketing;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;
- Operational guidance and support

## **DISCUSSION ON RESULT OF OPERATION**

The following discussion on results of operations should be read in conjunction with the restated financial statements of our Company for the financial period ended December 31, 2017 and for the financial years ended March 2017, 2016, 2015, 2014 and 2013.

## **OVERVIEW OF REVENUE & EXPENDITURE**

### **Revenues:**

#### ***Income from operations:***

Our principal component of revenue from operations is from processing of seeds and trading of mentha Oil.



### Other Income:

Our other income mainly includes rent income.

(Rs. In Lacs)

Particulars	For the period ended	2017	2016	2015	2014	2013
	December, 2017					
<b>Income</b>						
Revenue from Operations	5756.89	5,818.62	5,837.88	5,781.48	5,463.09	58.07
As a % of Total Revenue	99.87	99.89	99.89	99.85	99.44	60.31
Other Income	7.78	6.32	6.43	8.85	30.26	38.22
As a % of Total Revenue	0.13	0.11	0.11	0.15	0.55	39.69
<b>Total Revenue</b>	<b>5764.67</b>	<b>5,824.94</b>	<b>5,844.31</b>	<b>5,790.33</b>	<b>5,493.35</b>	<b>96.29</b>

### Expenditure:

Our total expenditure primarily consists of employee benefit expenses, Operating, Administrative, Selling and Other Expenses, finance cost, depreciation and other expenses.

#### Employee benefits expense

Our employee benefits expense primarily comprise of salaries and wages expenses and staff welfare expenses.

#### Depreciation & Amortization

Depreciation includes depreciation on tangible assets like building, furniture & fixtures, computers and office equipment. Amortization includes amortization of intangible assets.

#### Other Expenses

Other expenses include the following:

- Operating expenses like manufacturing expenses, electricity expenses.
- General expenses like marketing and sales promotion expenses, printing, stationery, insurance, audit and professional fees etc.
- Administrative and other expenses such as advertisement, traveling, conveyance expenses, etc.

#### Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Rs. In Lacs)

Particulars	For the period ended	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	31.12.2017					
<b>Income:-</b>						
Revenue from Operations	5756.89	5,818.62	5,837.88	5,781.48	5,463.09	58.07

Particulars	For the	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	period ended 31.12.2017					
<i>As a % of Total Revenue</i>	99.87	99.89	99.89	99.85	99.45	60.31
Other Income	7.78	6.32	6.43	8.85	30.26	38.22
<i>As a % of Total Revenue</i>	0.13	0.11	0.11	0.15	0.55	39.69
<b>Total Revenue (A)</b>	<b>5764.67</b>	<b>5,824.94</b>	<b>5,844.31</b>	<b>5,790.33</b>	<b>5,493.35</b>	<b>96.29</b>
<b>Growth %</b>	<b>N.A.</b>	<b>(0.33)</b>	<b>0.93</b>	<b>5.41</b>	<b>5605.01</b>	<b>-</b>
<b>Expenditure:-</b>						
Cost of Materials Consumed	5393.35	5,637.78	5,472.28	6,074.68	5,370.18	83.78
<i>As a % of Total Revenue</i>	9.56	96.79	93.63	104.91	97.76	87.01
Change in inventories of finished goods, work in progress and cost-in-trade	145.34	(28.92)	195.44	(468.11)	9.61	(30.16)
Employees Benefit Expenses	20.39	27.47	27.35	23.31	32.25	2.73
<i>As a % of Total Revenue</i>	0.35	0.47	0.47	0.40	0.59	2.84
Operating, Administrative, Selling and Other Expenses	39.90	35.19	65.12	62.41	44.62	14.06
<i>As a % of Total Revenue</i>	0.69	0.60	1.11	1.08	0.81	14.60
Depreciation and Amortization Expense	20.17	20.25	9.93	23.56	7.53	7.65
<i>As a % of Total Revenue</i>	0.36	0.35	0.17	0.41	0.14	7.94
Interest & Finance Charges	50.61	62.49	51.61	35.82	-	-
<i>As a % of Total Revenue</i>	0.88	1.07	0.88	0.62	-	-
<b>Total Expenses (B)</b>	<b>5670.56</b>	<b>5,754.26</b>	<b>5,821.73</b>	<b>5,751.67</b>	<b>5,464.19</b>	<b>78.06</b>
<i>As a % of Total Revenue</i>	98.37	98.79	99.61	99.33	99.47	81.07
<b>Profit before extraordinary items and tax</b>	<b>94.11</b>	<b>70.68</b>	<b>22.58</b>	<b>38.66</b>	<b>29.16</b>	<b>18.23</b>
<i>As a % of Total Revenue</i>	1.63	1.21	0.39	0.67	0.53	18.93
Extraordinary Items	-	-	-	-	-	-
<b>Profit before Tax</b>	<b>94.11</b>	<b>70.68</b>	<b>22.58</b>	<b>38.66</b>	<b>29.16</b>	<b>18.23</b>
<b>PBT Margin</b>	<b>1.63</b>	<b>1.21</b>	<b>0.39</b>	<b>0.67</b>	<b>0.53</b>	<b>18.93</b>
<b>Tax Expense:</b>						
i. Current Tax	30.58	13.06	7.93	17.70	7.59	3.27
ii. Short / (Excess) provision	-	-	-	-	-	-
iii. Deferred Tax	2.87	8.92	(1.51)	(5.64)	(0.05)	(0.08)
<b>Total Tax Expense</b>	<b>27.90</b>	<b>21.98</b>	<b>6.42</b>	<b>12.06</b>	<b>7.54</b>	<b>3.19</b>
<b>Profit for the year/period</b>	<b>66.21</b>	<b>48.70</b>	<b>16.16</b>	<b>26.60</b>	<b>21.62</b>	<b>15.04</b>
<b>PAT Margin %</b>	<b>1.15</b>	<b>0.84</b>	<b>0.28</b>	<b>0.46</b>	<b>0.39</b>	<b>15.62</b>

## REVIEW OF NINE MONTHS ENDED DECEMBER 31, 2017

### INCOME



### ***Income from Operations***

Our income from operations was Rs. 5756.89 lacs which is 99.87% of our total revenue for the period of Nine months ended on December 31, 2017 which is on account of trading of Mentha Oil and revenue from seeds was generated due to crop season.

### ***Other Income***

Our other income was Rs. 7.78 lacs which is 0.13% of our total revenue for the period of Nine months ended on December 31, 2017.

## **EXPENDITURE**

### ***Employee Benefits Expenses***

Our employee benefits expenses were Rs. 20.39 lacs which was 0.35% of our total revenue for the period of nine months ended on December 31, 2017 and comprised of salaries & wages and staff welfare expenses etc.

### ***Operating, Administrative, Selling and Other Expenses***

Our Operating, Administrative, Selling and Other expenses were Rs. 39.90 lacs which is 0.69% of our total revenue the period of nine months ended on December 31, 2017. These expenses include operating expenses, general expenses, administrative and selling expenses.

### ***Depreciation and amortisation***

Depreciation and amortisation expenses were Rs. 20.17 lacs which is 0.36% of our total revenue for the period of Nine months ended on December 31, 2017.

### ***Finance Cost***

Our finance cost which consists of interest on loan, processing fee and charges of Rs. 50.61 lacs which is 0.88% of our total revenue for the period of Nine months ended on December 31, 2017.

### ***Profit Before Tax***

Our Profit Before Tax was Rs. 94.11 lacs which is 1.63% of our total revenue the period of Nine months ended on December 31, 2017.

### ***Net Profit***

Our Net Profit After Tax was Rs. 66.21 lacs which is 1.15% of our total revenue the period of Nine months ended on December 31, 2017.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016**

### **INCOME**

#### **Income from Operations**

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Revenue from Operations	5,818.62	5,837.88	-0.33



The operating income of the Company for the year ending March 31, 2017 is Rs. 5,818.62lacs as compared to Rs. 5,837.88 lacs for the year ending March 31, 2016, showing decrease of 0.33%, and such decrease is due to decrease in volume of operations.

#### Other Income

Our other income decreased from Rs. 6.43 to Rs. 6.32 lacs. This was primarily due to Interest.

#### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Employee Benefit Expenses	27.47	27.35	0.44
Operating, Administrative, Selling and Other Expenses	35.19	65.12	-45.96

There is 0.44% increase in employee benefit expenses from Rs. 27.35 lacs in financial year 2015-16 to Rs. 27.47 lacs in financial year 2016-17 which is due to increase in staff and salary & wages. Our other expenses have decreased by 45.96% from Rs. 65.12 lacs in financial year 2015-16 to Rs. 35.19 lacs in financial year 2016-17. The increase was due to decrease in operating expenses, general expenses and administrative expenses which is in line with decrease in volume of operations.

#### Depreciation

Depreciation expenses for the Financial Year 2016-2017 have increased to Rs. 20.25 lacs as compared to Rs. 9.93 lacs for the Financial Year 2015-2016. The increase in depreciation was majorly due to increases in value of tangible assets.

#### Finance Charges

Our finance cost which consists of interest, processing fees and charges increased by 21.08% in FY 2016-17 as compared to FY 2015-16 due to increase in interest expenses and Bank charges.

#### Profit Before Tax

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Profit Before Tax	70.68	22.58	213.02

Profit before tax increased by 213.02% from Rs. 22.58 lacs in financial year 2015-16 to Rs. 70.68 lacs in financial year 2016-17.

#### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2016-17	2015-16	Variance In %
Taxation Expense	21.98	6.42	242.37
Profit After Tax	48.70	16.16	201.36





Our profit after tax increased by 201.36% from Rs. 16.16 lacs in financial year 2015-16 to Rs. 48.70 lacs in financial year 2016-17. This increment was in line with increase in operations income.

#### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015**

##### **INCOME**

##### **Income from Operations**

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Revenue from Operations	5,837.88	5,781.48	0.98

The operating income of the Company for the year ending March 31, 2016 is Rs. 5,837.88 lacs as compared to Rs. 5,781.48 lacs for the year ending March 31, 2015, showing an increase of 0.98%, and such increase was attributed to rise in volume of our operations.

##### **Other Income**

Our other income decreased by 27.34 % from Rs. 8.85 lacs to Rs. 6.43 lacs. This was primarily due to decrease in interest income, sales incentives in fiscal 2016.

##### **Operating, Administrative and Employee Costs**

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Employee Benefit Expenses	27.35	23.31	17.33
Operating, Administrative, Selling and Other Expenses	65.12	62.41	4.34

There is 17.33% increase in employee benefit expenses from Rs. 23.31 lacs in financial year 2014-15 to Rs. 27.35 lacs in financial year 2015-16 which is due to increase in salaries and wages. Our Operating, Administrative, Selling and Other Expenses expenses increased by 4.34% from Rs. 62.41 lacs in financial year 2014-15 to Rs. 65.12 lacs in financial year 2015-16. The increase was due to increase in operating expenses, general expenses and administrative expenses, which is in line with increase in volume of operations.

##### **Depreciation**

Depreciation expenses for the Financial Year 2015-2016 have decreased to Rs. 9.93 lacs as compared to Rs. 23.56 lacs for the Financial Year 2014-2015. The decrease in depreciation was mainly due to decrease in Fixed Assets.

##### **Finance Charges**

Our finance cost which consists of interest, processing fees and charges increased by 44.08 % in FY 2015-16 compared to FY 2014-15.

##### **Profit Before Tax**

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Profit Before Tax	22.58	38.66	-41.59



Profit before tax decreased by 41.59% from Rs. 38.66 lacs in financial year 2014-15 to Rs. 22.58 lacs in financial year 2015-16.

#### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2015-16	2014-15	Variance In %
Taxation Expense	6.42	12.06	-46.77
Profit After Tax	16.16	26.60	-39.25

Our profit after tax decreased by 39.25% from Rs. 26.60 lacs in financial year 2014-15 to Rs. 16.16 lacs in financial year 2015-16. This decrease was in line with our increase in expenses.

#### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

#### INCOME

##### Income from Operations

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Revenue from Operations	5,781.48	5,463.09	5.83

The operating income of the Company for the year ending March 31, 2015 is Rs. 5781.48 lacs as compared to Rs. 5463.09 lacs for the year ending March 31, 2014, showing an increase of 5.83%, and such increase was attributed to rise in volume of operations.

##### Other Income

Our Other Income for the financial year ended 31<sup>st</sup> March, 2015 was at Rs. 8.85 Lacs as against Rs. 30.26 Lacs for the fiscal year 2014.

##### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Employee Benefit Expenses	23.31	32.25	-27.72
Operating, Administrative, Selling and Other Expenses	62.41	44.62	39.87

There is around 27.72% decrease in employee benefit expenses from Rs. 32.25 Lacs in financial year 2013-14 to Rs. 23.31 lacs in financial year 2014-15. This was due to decrease in staff.

Our Operating, Administrative, Selling and Other Expenses increased by 39.87% from Rs. 44.62 lacs in financial year 2013-14 to Rs. 62.41 lacs in financial year 2014-15. The increase is in line with the increase in volume of operations.

##### Depreciation

Depreciation expenses for the Financial Year 2014-2015 have increased to Rs. 7.53 lacs as compared to Rs. 23.56 Lacs for the Financial Year 2013-2014, this is due to increase in fixed assets.



## Finance Charges

Our finance cost which consists of interest, processing fees and charges for the financial year ended 31<sup>st</sup> March, 2015 was at Rs. 35.82 Lacs as against Nil for the fiscal year 2014. This is due to increase in loan.

## Profit Before Tax

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Profit Before Tax	38.66	29.16	32.58

Profit before tax increased by 32.58% from Rs. 29.16 lacs in financial year 2013-14 to Rs. 38.66 lacs in financial year 2014-15 which is in line with increase in business operations.

## Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2014-15	2013-14	Variance In %
Taxation Expense	12.06	7.54	59.95
Profit After Tax	26.60	21.62	23.03

Our profit after tax increased by 23.03% from Rs. 21.62 lacs in financial year 2013-14 to Rs. 26.60 lacs in financial year 2014-15. This increase was mainly due to increase in revenue from operations.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2014 WITH FINANCIAL YEAR ENDED MARCH 31, 2013

### INCOME

#### Income from Operations

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Revenue from Operations	5,463.09	58.07	9307.77

The operating income of the Company for the year ending March 31, 2014 is Rs. 5463.09 lacs as compared to Rs. 58.07 lacs for the year ending March 31, 2013 and such increase was attributed to starting of operations and increase in volume of our operations.

#### Other Income

Our Other Income was Rs. 30.26 Lacs for the financial year ended 31<sup>st</sup> March, 2014 and Rs. 38.22 for the financial year 31<sup>st</sup> March, 2013 which is on account of decrease in rent income.

#### Operating, Administrative and Employee Costs

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Employee Benefit Expenses	32.25	2.73	1081.32



Particulars	2013-14	2012-13	Variance In %
Operating, Administrative, Selling and Other Expenses	44.62	14.06	217.35

The employee benefit expense was Rs. 32.25 lacs for the financial year ended Rs. 2.73 lacs and for the financial year 31<sup>st</sup> March, 2013. Our Operating, Administrative, Selling and Other Expenses increased from Rs. 14.06 Lacs in financial year 2012-13 to Rs. 44.62 lacs in financial year 2013-14. The increase was due to increase in operating expenses, general expenses and administrative expenses which is in line with increase in volume of operations.

### Depreciation

Depreciation was Rs. 7.53 lacs for the financial year ended 31<sup>st</sup> March, 2014 and Rs. 7.65 for the financial year 31<sup>st</sup> March, 2013 which is on account on decrease in Fixed Assets.

### Finance Charges

Our finance cost was Nil for the fiscal 2013-14 as compared to Nil for fiscal 2012-13.

### Profit Before Tax

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Profit Before Tax	29.16	18.23	59.96

Profit before tax increased from Rs. 18.23 Lacs in financial year 2012-13 to Rs. 29.16 lacs in financial year 2013-14.

### Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2013-14	2012-13	Variance In %
Taxation Expense	7.54	3.19	136.36
Profit After Tax	21.62	15.04	43.75

Profit after tax increased from Rs. 15.04 Lacs in financial year 2012-13 to Rs. 21.62 lacs in financial year 2013-14 due to increase in volume of operations.

## OTHER MATTERS

### Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgement would be considered unusual or infrequent that have significantly affected operations of the Company.

### Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global



commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the section titled "Risk Factors" beginning on page 15 of this Prospectus to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.**

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the services in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

**The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices**

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

**Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating business segment i.e. processing of seeds and trading of Mentha Oil. Relevant industry data, as available, has been included in the chapter titled "Industry Overview" and "Our Business" beginning on page 96 and page 110 of this Prospectus respectively.

**Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Prospectus.

**The extent to which the business is seasonal**

Our Company's business is not seasonal in nature. Paddy seeds are processed from February to May and Wheat seeds are processed from August to October, However, Marketing activities run continue through out the year and our marketing team book the orders, collect advances, payments of supply.

**Any significant dependence on a single or few suppliers or customers**

The % of Contribution of our Company's customer vis a vis the total revenue from operations as March 31, 2017 is as follows:

Particulars	Customers
Top 5 (%)	97.43
Top 10 (%)	98.53

Our main suppliers are farmers and Agricultural universities.



### **Competitive Conditions**

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the industry / sector in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “Risk Factors” on page 15 of Prospectus.



## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated below and mentioned elsewhere in this Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries and Group Companies or against any other company whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on 7<sup>th</sup> November, 2017 determined that outstanding dues to creditors in excess of Rs 5 lacs of our Company as per last audited financial statements shall be considered as material dues (Material Dues). Our Board, in its meeting held on 7<sup>th</sup> November, 2017 determined that litigations involving an amount of more than Rs. 2 lacs as per last audited financial statements shall be considered as material. Unless otherwise stated to contrary, the information provided is as of date of this Prospectus.

#### LITIGATION INVOLVING OUR COMPANY

##### **Against our Company**

##### ***Criminal Litigation***

***Nil***

##### ***Civil Proceedings***

***Nil***

##### ***Proceedings against Our Company for economic offence/securities laws/ or any other law***

***Nil***

##### ***Penalties in Last Five Years***

***Nil***



***Pending Notice against our Company***

Nil

***Past Notice to our Company***

Nil

**Disciplinary Action taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material fraud against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATION FILED BY OUR COMPANY**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

***Litigation against our Directors***

Nil

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil





***Taxation Matters***

Nil

***Past Penalties imposed on our Directors***

Nil

***Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law***

Nil

***Directors on list of wilful defaulters of RBI***

Nil

**Litigation by Directors of Our Company**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**LITIGATION INVOLVING PROMOTER OF OUR COMPANY**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

***Past Penalties imposed on our Promoters***

Nil

***Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law***

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil



#### **Penalties in Last Five Years**

Nil

#### **Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past**

Nil

#### **Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

#### **Litigation by Our Promoters**

##### ***Criminal Litigation***

Nil

##### **Civil Proceedings**

Nil

##### ***Taxation Matters***

Nil

#### **LITIGATION INVOLVING OUR GROUP COMPANIES**

##### ***Outstanding Litigation against our Group Companies***

Nil

##### ***Criminal Litigation***

Nil

##### **Civil Proceedings**

Nil

##### **Taxation Matters**

There is scrutiny of Income tax for the assessment year 2012-13 & 2013-14 is pending against one of Our Promoter Group entity, M/s Natural Herbals and Seeds involving an amount of Rs. 4.06 cr and Rs. 2.25 cr on the grounds of applicability of Notification No. 177/2004 of CBDT, through which 80IC exemption was approved. An Appeal had been moved to Commissioner of Income Tax (Appeal) but the same was dismissed, thereafter, case was referred to Income Tax Appellate Tribunal (ITAT) and the same is pending before ITAT. Also, Scrutiny of Income tax for the assessment year 2014-15 is pending before Commissioner of Income Tax (Appeal). Any adverse decision may impact our goodwill and business operations.



**Past Penalties imposed on our Group Companies**

Nil

**Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any *Group Companies***

Nil

**Adverse finding against *Group Companies* for violation of Securities laws or any other laws**

Nil

**LITIGATION BY OUR GROUP COMPANIES**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**LITIGATION INVOLVING OUR SUBSIDIARIES**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

***Past Penalties imposed on our Subsidiaries***

Nil

***Proceedings initiated against our Subsidiaries for Economic Offences/securities laws/ or any other law***

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any *Subsidiaries***

Nil



**Adverse finding against *Subsidiaries* for violation of Securities laws or any other laws**

Nil

**LITIGATION BY OUR SUBSIDIARIES**

***Criminal Litigation***

Nil

***Civil Proceedings***

Nil

***Taxation Matters***

Nil

**OTHER MATTERS**

Nil

**Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the Company or its subsidiaries: NIL**

**Outstanding Litigation against other companies or any other person whose outcome could have an adverse effect on our company: NIL**

**Material Developments since the Last Balance Sheet**

Except as disclosed in Management Discussion and Analysis of Financial Condition and results of operations, there have been no material developments.

**Outstanding dues to small scale undertakings or any other creditors**

As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated 7<sup>th</sup> November, 2017, considered creditors to whom the amount due exceeds Rs. 5 lakhs by our company for the purpose of identification of material creditors. Based on the above, there are no material creditors of our Company as on 31st December, 2017.

We don't owe any amount to small scale undertakings. The details pertaining to net outstanding dues towards our Material Creditors shall be made available under investors' section on the website of our Company. It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.



## GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the section titled “Key Industry Regulations and Policies” on page 120 of this Prospectus.

### APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 7<sup>th</sup> November, 2017 authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution passed at Extra Ordinary General Meeting held on 1<sup>st</sup> December, 2017 authorized the Issue.
3. We have received in-principle approvals from NSE-EMERGE for the listing of our Equity Shares pursuant to letters dated 02<sup>nd</sup> February, 2018.

### INCORPORATION DETAILS

1. Certificate of Incorporation dated 22<sup>nd</sup> June, 1983 issued by Registrar of Companies, Delhi & Haryana in the name of Terai Beej Private Limited.
2. Fresh Certificate of Incorporation dated 7<sup>th</sup> May, 1986 issued by Asst. Registrar of Companies, Delhi & Haryana in the name of Terai Beej Limited.
3. Fresh Certificate of Incorporation dated 8<sup>th</sup> May, 1986 issued by Asst. Registrar of Companies, Delhi & Haryana in the name of Continental Seeds and Chemicals Limited.
4. The Company Identification Number (CIN) is U01111DL1983PLC015969.

### APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR OPERATION:

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Expiry
<b>Issuer Company : Continental Seeds and Chemicals Limited</b>				
1.	Permanent Account Number (PAN)	AAACC2341R	Income Tax Department, Government of India	N.A.
2.	Tax Deduction Account Number (TAN)	DELC06435C	Income Tax Department, Government of India	N.A.
3.	Goods and Service Tax (GST)	05AAACC2341R1ZN	Government of India	N.A.



#### TRADEMARK REGISTRATION:

S.No.	Particulars	Applicati on No.	Issuing Authority	Date of Issue	Validity
1.	Trade Mark Registration in Class 31*	3672615	The Registrar of Trade Marks.	Under registration	Under registration

#### OTHER BUSINESS APPROVALS:

1. Our Company is registered with District Industrial Centre, Udham Singh Nagar for seed processing; and
2. Our Company is registered with Uttarakhand State Seed and Organic Production Certificaton Agency.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on 7<sup>th</sup> November, 2017 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on 1<sup>st</sup> December, 2017 at registered office of the Company.

Our Board has approved this Prospectus at its meeting held on 1<sup>st</sup> March, 2018.

We have received approval from NSE-EMERGE vide letter dated 02<sup>nd</sup> February, 2018 to use the name of NSE in this offer document for listing of our Equity Shares on NSE EMERGE. NSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, our Promoter Group and our Group Entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Entities have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital do not exceed ten crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (In this case being the “SME Platform of NSE EMERGE”). Our Company also complies with the eligibility conditions laid by the NSE Emerge Platform for listing of our Equity Shares.

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 51 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date



our company becomes liable to repay it, than our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed u/s 40 of the Companies Act, 2013

3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 51 of this Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 1 crore as per the latest audited financial results.
7. The Company has been incorporated on 22<sup>nd</sup> June, 1983 and has track record of over three years and have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years.
8. The Post-issue paid up capital of the Company shall be at least Rs. 1 Crore.
9. The Company shall mandatorily facilitate trading in demat securities and has entered into agreements with both the depositories.
10. The Company has not been referred to Board for Industrial and Financial Reconstruction.
11. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
12. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
13. The Company has a website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)
14. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filling application to NSE-Emerge Platform.
15. There is no defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
16. No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.





As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, NAVIGANT CORPORATE ADVISORS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 1<sup>ST</sup> MARCH, 2018, IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013 THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE



REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS 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 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE, SUBJECT TO COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS 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 PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE



**DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

- B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
  - 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
  - 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
  - 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR - DETAILS ARE ENCLOSED IN “ANNEXURE A”**
  - 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”**

*\*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.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING NSE EMERGE**

- 1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- 4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**
- 5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN**



## THE PROSPECTUS.

- 6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE. - NOTED FOR COMPLIANCE.”
- 7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE

### Note:

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 OR section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi, in terms of sections 26, 32 and 33 of the Companies Act, 2013.

### DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.continentalseeds.co.in](http://www.continentalseeds.co.in) would be doing so at his or her own risk.

### CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated 6<sup>th</sup> December, 2017, the Underwriting Agreement 28<sup>th</sup> February, 2018 entered into among the Underwriters and our Company and the Market Making Agreement dated 28<sup>th</sup> February, 2018 entered into among the Lead Manager, Market Maker and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.



## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by M/s Navigant Corporate Advisors Limited, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of the Book Running Lead Manager at [www.navigantcorp.com](http://www.navigantcorp.com).

## DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lacs, pension funds with minimum corpus of Rs. 2,500 Lacs and the National Investment Fund, and permitted non residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession 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 Delhi 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 NSE for its observations and NSE 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## DISCLAIMER CLAUSE OF NSE EMERGE PLATFORM

As required, a copy of this Prospectus has been submitted to NSE. NSE has given vide its letter Ref.: NSE/LIST/35865 dated 2<sup>nd</sup> February, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this 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 that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## FILING

The Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the ROC situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in- principle approval from NSE-Emerge Platform. However application will be made to the NSE-Emerge Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE-Emerge Platform has given its in-principal approval for using its name in our Prospectus vide its letter dated 2<sup>nd</sup> February, 2018.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE-Emerge Platform, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 6 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-Emerge Platform mentioned above are taken within twelve Working Days from the Issue Closing Date.

## CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary and Compliance Officer, Chief Financial Officer, the Auditors, Peer Review Auditor, Banker to the Company; and (b) Lead manager, Underwriters, Market Makers Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 & 32 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with NSE.



## **EXPERT OPINION**

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

1. Report of the Statutory Auditor on Statement of Tax Benefits;
2. Report of the Peer Reviewed Auditor on the Restated Financial Statements for the five months ended on December 31, 2017 and financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 of our Company.

## **PUBLIC ISSUE EXPENSES**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 86 of this Prospectus.

## **FEES PAYABLE TO LEAD MANAGER TO THE ISSUE**

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

## **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send 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**

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 54 of this Prospectus.

## **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Continental Seeds and Chemicals Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.



## PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the section titled “Capital Structure” on page 59 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

## COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

## PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any public or rights issue since its inception.

## PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

## OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

## INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Mas Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Mas Services Limited, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence





Sr. No.	Nature of Complaint	Time Table
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Abhinav Mishra as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Abhinav Mishra,  
Company Secretary and Compliance officer  
Lower Ground Floor,  
Plot No. 38 Okhla Phase 3,  
South Delhi, New Delhi 110020  
Tel:+ 011-40523652  
Email: [cs@continentalseeds.co.in](mailto:cs@continentalseeds.co.in)  
Website: [www.continentalseeds.co.in](http://www.continentalseeds.co.in)

#### CHANGES IN AUDITORS

There has been change in the auditors of our Company for the last three years as given below:

Financial Year	Particular of Change	Reason
2016-17	M/s PMAS & Associates LLP has been appointed as the Statutory Auditors of the Company in place of M/s Rastogi & Donald.	M/s Rastogi & Donald has resigned due to preoccupation.

#### CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Except as provided in the Chapter titled Capital Structure beginning on page 59 of the Prospectus, Our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during the last five (5) years.

#### PURCHASE OF PROPERTY

Other than as disclosed in this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus. Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

#### SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



## SECTION VII ISSUE RELATED INFORMATION TERMS OF THE ISSUE

*The Equity Shares being issued and transferred are subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, our Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, 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 Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available*

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees 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 259 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled "Dividend Policy" on page 148 of this Prospectus.

### **FACE VALUE AND ISSUE PRICE**

The Equity Shares having a Face Value of Rs.10 each are being offered in terms of this Prospectus at the price of Rs. 26 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" on page 91 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

We shall comply with all requirements of SEBI (ICDR) Regulations, 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 powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation 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 company under the Companies Act, 2013 and the Memorandum and Articles of Association of the 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" on page 259 of this Prospectus.*

## MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

In terms of the provision of the Depositories Act, 1996 (22 of 1996) & the regulations made under and Section 29 (1) of the Companies Act, 2013 the Equity Shares of our Company shall be allotted only in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

The trading of the Equity Shares will happen be in dematerialized form and in the minimum contract size of 4,000 Equity Shares and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through the Issue will be done in multiples of 4,000 Equity Shares subject to a minimum allotment of 4,000 Equity Shares to the successful Applicants.

## MINIMUM NUMBER OF ALLOTTEES

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi.

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



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

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.



The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lac) per application.

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

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the main board of NSE from NSE EMERGE platform of NSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), Company shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the Company is more than 10 crores but below Rs. 25 crores, Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the NSE EMERGE Platform, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE-EMERGE for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to “*General Information - Details of the Market Making Arrangements for this Issue*” on page 51 of this Prospectus.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the equity shares will happen in the minimum contract size of 4,000 equity shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE-EMERGE.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital



investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **APPLICATION BY ELIGIBLE NRIS, FPIS/FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs/FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF EQUITY SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 59 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 259 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the 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 Lead Manager, through the



Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital do not exceed ten crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE i.e. NSE-EMERGE). For further details regarding the salient features and terms of such an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 208 and 217 of this Prospectus.

### Following is the Issue structure:

Public Issue of 16,20,000 equity shares of Rs. 10 each (the “Equity Shares”) for cash at a price of Rs. 26 per Equity Share (including a share premium of Rs. 16 per Equity Share) aggregating to Rs. 421.20 lacs (“the Issue”) by Continental Seeds and Chemicals Limited (“CSCL” or the “Company” or the “Issuer”).

The Issue comprises reservation of 84,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 15,36,000 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	15,36,000 Equity Shares	84,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.81% of the Issue size	5.19% of the Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 4,000 Equity Shares and further allotment in multiples of 4,000 Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure Basis of Allotment</i> ” on page 217 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process	Through ASBA Process Only
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b> 4,000 Equity Shares	84,000 Equity Shares
<b>Maximum Application Size</b>	<b>For QIB and NII:</b> Such number of equity shares in multiples of 4,000 Equity Shares such that the Application Size does not exceed 15,36,000 Shares.  <b>For Retail Individuals:</b> 4,000 Equity Shares	84,000 Equity Shares





Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Mode of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
Trading Lot	4,000 Equity Shares	4,000 Equity Shares, However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form and accordingly ASBA Banks will block the entire Application Amount.	

\*50 % of the shares offered are reserved for applications below Rs. 2 Lacs and the balance for higher amount applications.

#### WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the 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 Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### ISSUE PROGRAMME

ISSUE OPENING DATE	Wednesday, 21st March, 2018
ISSUE CLOSING DATE	Friday, 23 <sup>rd</sup> March, 2018

Applications and any revision to the same (except that on the Issue Closing Date) will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing date application and revision to the same will be accepted between 10.00 a.m and 3.00 p.m. Applications will be accepted during Issue period on Working Days.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. 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 (DIPPI), issued Consolidated FDI Policy Circular of 2015 ("FDI Policy 2015"), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force and effect as on May 11, 2015. However, press note 4 of (2015 Series), dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 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 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 Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time.

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

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Application is not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "Part B-General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.*

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### **APPLICATION FORM**

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/4/2011, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode.



The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)	White
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- an SCSB, with whom the bank account to be blocked, is maintained
- a syndicate member (or sub-syndicate member) : Not Applicable being Fixed Priced Issue
- a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or



subsequent notice of such changes to the Applicants.

#### AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com)

#### WHO CAN APPLY?

In addition to the category of Applicants set forth under "**General Information Document for Investing in Public Issues - Category of Investors Eligible to participate in an Issue**", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

#### OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialized form only.
- b) The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### PARTICIPATION BY ASSOCIATES / AFFILIATES OF LEAD MANAGER

The Lead Manager, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations/institutions and not in the names of minors, foreign nationals, non residents (except for those applying on non repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu undivided families, partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a 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 NRO accounts.

#### APPLICATIONS BY ELIGIBLE NRI'S/RFPI'S ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our Registered Office and at the Corporate Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs



who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

**As per the current regulations, the following restrictions are applicable for investments by FPIs:**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where "infrastructure" is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as Infrastructure Finance Companies (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a. A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b. Nothing contained in clause (a) shall apply to:
    - (i) Any transactions in derivatives on a recognized stock exchange;
    - (ii) Short selling transactions in accordance with the framework specified by the Board;
    - (iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (iv) Any other transaction specified by the Board.
  - c. No transaction on the stock exchange shall be carried forward;
  - d. The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
    - (i) transactions in Government securities and such other securities falling under the purview of the Reserve



- Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
- (ii) sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (iii) sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - (iv) Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
  - (v) divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - (vi) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - (vii) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (viii) Any other transaction specified by the Board.
- e. A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form.  
Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.  
No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
- a. Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - b. Such offshore derivative instruments are issued after compliance with "know your client" norms. Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly. Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.



Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATION 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 Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATION BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.





## APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- (a) 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;
- (b) 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 ULIPS); and
- (c) 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 ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26<sup>th</sup> December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

## APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

## APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lacs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. With respect to applications by VCFs, FVCIs, and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without



assigning any reasons thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FII's, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted.. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
6. the Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries . Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
7. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN



would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

## METHOD AND PROCESS OF APPLICATIONS

1. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary
  - (i) an SCSB, with whom the bank account to be blocked, is maintained
  - (ii) a syndicate member (or sub-syndicate member)
  - (iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
  - (iv) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
  - (v) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to Application Collecting intermediaries. Submission of a second Application Form to either the same or to another Application Collecting Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.
5. The intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

<b>For applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant



	details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
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6. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
7. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
8. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the 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 Applicants to the Public Issue 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.

#### TERMS OF PAYMENT

The entire Issue price of Rs. 26 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### PAYMENT MECHANISM FOR APPLICANTS

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be. Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily



make use of ASBA facility.

## ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.



8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE EMERGE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 4,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.



4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the number in excess of the multiple of 4,000 would be rounded off to the higher multiple of 4,000 if that number is 2,000 or higher. If that number is lower than 2,000, it would be rounded off to the lower multiple of 4,000. All Applicants in such categories would be Allotted Equity Shares arrived at after such rounding off.

5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

(a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

(b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

(c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

(d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

#### **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated 28<sup>th</sup> February, 2018 this issue is 100% Underwritten.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.



## ISSUANCE OF ALLOTMENT ADVICE

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

## DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of four (4) working days of the Issue Closing Date.

After the funds are transferred from the ASBA Public Issue Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within one working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

## GENERAL INSTRUCTIONS

### Do's

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the demographic details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- With respect to ASBA Applications ensure that the 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 Application Form;
- Ensure that you have requested for and receive a acknowledgement;
- All applicants should submit their applications through the ASBA process only.

### Dont's

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Banker to of the





Issue.

- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill in the Application Form such that the Equity Shares applied 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;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Application Collecting Intermediaries. ASBA Application Forms, which do not bear the stamp of the Application Collecting Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broaden the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.



## SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE-EMERGE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date. In accordance with the Companies Act, the requirements of the StockExchange and the SEBI Regulations, the

Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

## IMPERSONATION

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“ Any person who—*

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, *shall be liable for action under Section 447.*”



## UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Issuer;
- 4) That our Promoter's contribution in full has already been brought in;
- 5) That the letter of allotment/ unblocking of funds to the non resident Indians shall be dispatched within specified time;
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet 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 the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:



- Agreement dated 7<sup>th</sup> February, 2018 among NSDL, the Company and the Registrar to the Issue;
- Agreement dated 30<sup>th</sup> January, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE340Z01019.



## GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through Fixed Price Issues. The purpose of the –General Information Document for Investing in Public Issues is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies “ROC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in)

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

#### 2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.



The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

## 2.2 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation

(a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.

(b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 73 of the Companies Act, 1956.

(c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

(d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.

(e) The Issuer shall have a track record of three years.

(f) The Net worth (excluding revaluation reserves) of the Issuer shall be positive as per the latest audited financial results.

(g) The Issuer should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.

(h) The Post-issue paid up capital of the Issuer shall be less than Rs. 25 Crores.

(i) The Issuer shall mandatorily facilitate trading in demat securities.

(j) The Issuer should not be referred to Board for Industrial and Financial Reconstruction.

(k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.

(l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.

(m) The Company should have a website.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.



As per Regulation 106(M) (3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1,000 lacs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### 2.3 TYPES OF PUBLIC ISSUES - FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### 2.4 ISSUE PERIOD

The Issue shall be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

### 2.5 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

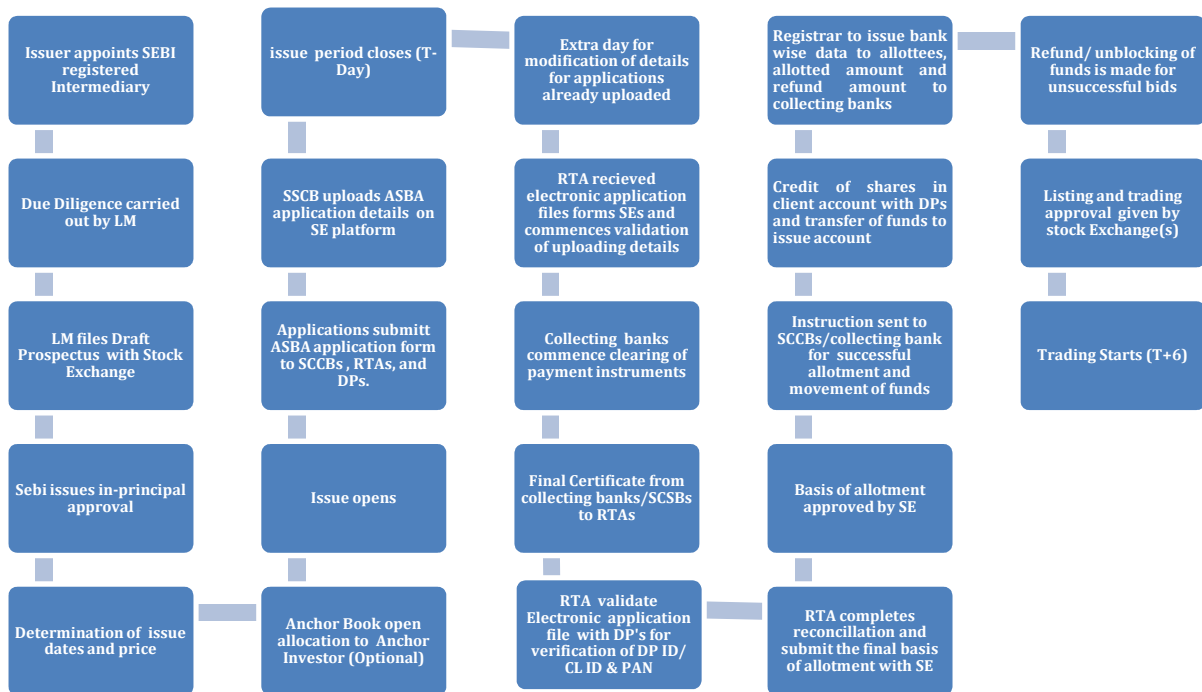
(a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

(b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price Issues is as follows:







### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FDI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (Lip's) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lacs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.



## SECTION 4: APPLYING IN THE ISSUE

### Fixed Price Issue:

Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs, at the registered office of the Issuer and at the corporate office of LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus. Applicants should ensure that they apply in the appropriate category.

The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application
Resident Indian, Eligible NRIs applying on a non- repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE ISSUE)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

*The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:*



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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : _____ Contact Details: _____ CIN No _____	

<b>LOGO</b>	<b>TO, THE BOARD OF DIRECTORS, XYZ LIMITED</b>	<b>FIXED PRICE QIB ISSUE</b> INE00000000000	<b>Bid cum Application Form No.</b> _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr./Ms. _____
		Address _____
		Email _____
		Tel. No (with STD code) / Mobile _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>
		_____

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 digit ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation Basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH

<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>	<b>5. CATEGORY</b>																											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) <small>(This must be in multiples of Bid Lot as advertised)</small></th> <th colspan="3">Price per Equity Share (₹) * Cut-off</th> <th rowspan="2">Cut-off Please tick</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (In Figures) <small>(This must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) * Cut-off			Cut-off Please tick	Bid Price	Retail Discount	Net Price	Option 1	_____	_____	_____	_____	<input type="checkbox"/>	(OR) Option 2	_____	_____	_____	_____	<input type="checkbox"/>	(OR) Option 3	_____	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
Bid Options			No. of Equity Shares Bid (In Figures) <small>(This must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) * Cut-off			Cut-off Please tick																					
	Bid Price	Retail Discount		Net Price																								
Option 1	_____	_____	_____	_____	<input type="checkbox"/>																							
(OR) Option 2	_____	_____	_____	_____	<input type="checkbox"/>																							
(OR) Option 3	_____	_____	_____	_____	<input type="checkbox"/>																							

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
Amount paid (₹ in figures) _____ (₹ in words) _____	

<b>ASBA</b> Bank A/c No. _____ Bank Name & Branch _____
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE APPLICABLE AGREED PRODUCTS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE BIDDER'S UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> <small>(AS PER BANK RECORDS)</small>	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) _____ 2) _____ 3) _____	

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<b>LOGO</b>	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Bid cum Application Form No.</b> _____
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<b>DPID / CLID</b>		<b>PAN of Sole / First Bidder</b>
		_____

Amount paid (₹ in figures) _____	Bank & Branch _____	<b>Stamp &amp; Signature of SCSB Branch</b>
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>	<b>Name of Sole / First Bidder</b>
No. of Equity Shares _____		_____
Bid Price _____		
Amount Paid (₹) _____		
ASBA Bank A/c No. _____		
Bank & Branch _____		
		<b>Acknowledgement Slip for Bidder</b>
		<b>Bid cum Application Form No.</b> _____

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<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details: _____ CIN No _____	For Eligible NRI, FI, FVCI, applying on Repatriation Basis																												
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">FIXED PRICE OME ISSUE</td> </tr> <tr> <td style="padding: 2px;">INE00000000000</td> </tr> </table>	FIXED PRICE OME ISSUE	INE00000000000																										
FIXED PRICE OME ISSUE																														
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		Bid cum Application Form No. _____																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">SYNDICATE MEMBER'S STAMP &amp; CODE</td> <td style="width: 30%;">BROKER/SCSB/DP/RTA STAMP &amp; CODE</td> <td style="width: 40%;">1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</td> </tr> <tr> <td> </td> <td> </td> <td>Mr / Ms. _____</td> </tr> <tr> <td colspan="2">SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</td> <td>Address _____</td> </tr> <tr> <td colspan="2"> </td> <td>Tel. No (with STD code) / Mobile _____</td> </tr> <tr> <td colspan="2">BANK BRANCH SERIAL NO.</td> <td>2. PAN OF SOLE / FIRST BIDDER</td> </tr> <tr> <td colspan="2">SCSB SERIAL NO.</td> <td> </td> </tr> </table>		SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER			Mr / Ms. _____	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		Address _____			Tel. No (with STD code) / Mobile _____	BANK BRANCH SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER	SCSB SERIAL NO.													
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		Mr / Ms. _____																												
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BANK BRANCH SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER																												
SCSB SERIAL NO.																														
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>		<b>6. Investor Status</b> <input type="checkbox"/> Non-Resident Indian (Repatriation Basis)    NRI <input type="checkbox"/> Foreign Institutional Investor    FI <input type="checkbox"/> Foreign Venture Capital Investor    FVCI <input type="checkbox"/> FI Sub Account Corporate/Individual    FI SA <input type="checkbox"/> Others (Please Specify)    OTH																												
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) <small>(Bid must be in multiples of Bid Lot as advertised)</small></th> <th colspan="3">Price per Equity Share (₹) "Cut-off" <small>(Price in multiples of ₹ 2/- only) (In Figures)</small></th> <th rowspan="2">"Cut-off" Please tick</th> <th rowspan="2">E. CATEGORY</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td rowspan="3"> <input type="checkbox"/> Retail Investor Bidder  <input type="checkbox"/> Non-Institutional Bidder  <input type="checkbox"/> QIB               </td> </tr> <tr> <td>(OR) Option 2</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> </tr> </tbody> </table>			Bid Options	No. of Equity Shares Bid (In Figures) <small>(Bid must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) "Cut-off" <small>(Price in multiples of ₹ 2/- only) (In Figures)</small>			"Cut-off" Please tick	E. CATEGORY	Bid Price	Retail Discount	Net Price	Option 1					<input type="checkbox"/>	<input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3				
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(OR) Option 2					<input type="checkbox"/>																									
(OR) Option 3					<input type="checkbox"/>																									
<b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : FULL PAY</b> Amount paid (₹ in figures) _____ (₹ in words) _____																														
ASBA Bank A/c No. _____ Bank Name & Branch _____																														
<small>BY THE EFFECT OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXES PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC SECTOR (GIP) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>																														
<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b> _____ Date : _____	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the NSDL to do all such as are necessary to read the Application in the line</small> _____ _____ _____ Date : _____	<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system) _____																												

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LOGO	<b>XYZ LIMITED</b> INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____				
DPID / CIN		PAN of Sole / First Bidder					
Amount paid (₹ in figures)		Bank & Branch	Stamp & Signature of SCSB Branch				
ASBA Bank A/c No.		Received from Mr/Ms _____ Telephone / Mobile _____ Email _____					
ASBA Bank A/c No.							
Bank & Branch		TEAR HERE					
XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	No. of Equity Shares	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCBS / DP / RTA	Name of Sole / First Bidder	
	Bid Price						
	Amount Paid (₹)					<b>Acknowledgement Slip for Bidder</b>	
	ASBA Bank A/c No.					Bid cum Application Form No. _____	
Bank & Branch							



#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and email and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(c) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person*

- whomakes or abets making of an application in a fictitious name to a Company foracquiring, or subscribing for, its securities; or*
- makes or abets making of multiple applications to a Company in different names or indifferent combinations of his name or surname for acquiring or subscribing for its securities;*
- orotherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

*Shall be liable for action under section 447 of the said Act.”*

(d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT

(a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.



(c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiaryowner by a suitable description in the PAN field and the beneficiary account remaining in “activestatus”; and (b) in the case of residents of Sikkim, the address as per the Demographic Detailsevidencing the same.

(d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Applications by Applicants whose demat accounts have been “suspended for credit” are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to berejected.

(b) Applicants should ensure that the beneficiary account provided in the Application Form is active.

(c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

(d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

(a) The Issuer may mention Price in the Prospectus. However a prospectus registered with ROC contains one price.

(b) Minimum and Maximum Application Size

##### i. For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 4,000 Equity Shares.

##### ii. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 4,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non- Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment



limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

(c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
- ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(e) The following applications may not be treated as multiple Applications:

- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.



(c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.

(d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD 7: PAYMENT DETAILS**

(a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Applicants**

(a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.

(b) Applicants should specify the Bank Account number in the Application Form.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one Bank Account, a maximum of five Application Forms can be submitted.

(f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

##### **4.1.8 Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account





designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ partial/ non-allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

(d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

(a) All communications in connection with Applications made in the Issue should be addressed as under:



- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
- ii. In case of ASBA applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
- iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.

(b) The following details (as applicable) should be quoted while making any queries -

- i. full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.
- ii. In case of Non-ASBA applications cheque or draft number and the name of the issuing bank thereof
- iii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

(a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

(b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.

(c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

(d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.



A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>	
Address : _____		Contact Details: _____		CIN No. _____	
LOGO		TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : _____	
				Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile: _____ E-mail: _____	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	
				NSDL <input type="checkbox"/> CDSL <input type="checkbox"/>	
				For NSDL, enter 8 digit DP ID followed by 3 digit Client ID / For CDSL, enter 16 digit Client ID	
<b>PLEASE CHANGE MY BID</b>					
4. FROM (AS PER LAST BID OR REVISION)					
Bid Options:		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		0 1 2 3 4 5 6 7 8 9		Bid Price Retail Discount Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid) (Only Retail Individual Bidders can bid at "Cut-off")					
Bid Options:		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		0 1 2 3 4 5 6 7 8 9		Bid Price Retail Discount Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS					
Additional Amount Paid (₹ in figures)			PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>		
(₹ in words)					
ASBA Bank A/c No. _____					
Bank Name & Branch _____					
7A. SIGNATURE OF SOLE / FIRST BIDDER					
7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)					
BROKER / SCSB / DP / RTA STAMP (Acknowledging receipt of Bid in Stock Exchange system)					
TEAR HERE					
LOGO		<b>XYZ LIMITED</b>		Acknowledgement Slip for Broker/SCSB/DP/RTA	
BID REVISION FORM - INITIAL PUBLIC ISSUE - R				Bid cum Application Form No. _____	
EPID / CLID		PAN of Sole / First Bidder			
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.					
Received from Mr./Ms.		Email			
Telephone / Mobile					
TEAR HERE					
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
Option 1					
Option 2					
Option 3					
No. of Equity Shares					
Bid Price					
Additional Amount Paid (₹)					
ASBA Bank A/c No.					
Bank & Branch					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No. _____	

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 FIELD 4 & 5: APPLICATION REVISION "FROM" AND "TO"

(a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.



(b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category

#### 4.2.3 FIELD 6: PAYMENT DETAILS

Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### 4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 SUBMISSION OF REVISION FORM/ APPLICATION FORM

4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of application Form
All Investors Application	To the Application Collecting Intermediaries

### SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

#### 5.1 APPLICANTS MAY NOTE THAT THERE IS NO BID CUM APPLICATION FORM IN A FIXED PRICE ISSUE

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the ROC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### 5.2 GROUNDS OF REJECTIONS

- Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:
- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;



- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 4,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;



- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date , unless the extended time is permitted by NSE.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GUID.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE EMERGE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 4,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the number in excess of the multiple of 4,000 would be rounded off to the higher multiple of 4,000 if that number is 2,000 or higher. If that number is lower than 2,000, it would be rounded off to the lower multiple of 4,000. All Applicant in such categories would be Allotted Equity Shares arrived at after such rounding off.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category



comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

(a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

(b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

(c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

(d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.



## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised. If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

#### 8.2.2 MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

#### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### 8.3 MODE OF REFUND

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### 8.3.1 Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND





The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Collecting Intermediaries	(vi) an SCSB, with whom the bank account to be blocked, is maintained (vii) a syndicate member (or sub-syndicate member) (viii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker") (ix) a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity) (x) a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application Supported by Blocked Amount/(ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make an application authorising an SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).
Banker(s) to the Issue/	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Issue Closing Date	The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue



Term	Description
	Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants ( can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and The Companies Act, 2013 (to the extant notified)
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <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 the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000



Term	Description
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
Non Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCI registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEM
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category Qualified Institutional Buyers or QIBs	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Application Form



Term	Description
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities an Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the Issue under chapter XB of SEBI (ICDR) Regulation
Stock Exchanges/SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Refer to definition of Broker Centers
Underwriters	Lead Manager (s)
Underwriting Agreement	Underwriting Agreement entered between Company and Underwriters
Working Day	Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays



## SECTION VIII

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

#### PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company.

#### INTERPRETATION

2.(1) In these regulations—

- (a) "Company" means **CONTINENTAL SEEDS AND CHEMICALS LIMITED**
  - (b) "Office" means the Registered Office of the Company.
  - (c) "Act" means the Companies Act, 2013, and any statutory modification thereof.
  - (d) "Seal" means the Common Seal of the Company.
  - (e) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whether names called.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

#### PUBLIC COMPANY

3. The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly:-

- (a) is not a private company;
- (b) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles ;

#### *Share capital and variation of rights*

4.1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

- (a) one certificate for all his shares without payment of any charges; or



- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.



### ***Lien***

9. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

**Provided** that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

**Provided** that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11.(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### ***Calls on shares***

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or byway of premium) and not by the conditions of allotment thereof made payable at fixed times:

**Provided** that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.



14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### *Transfer of shares*

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;





(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

**Provided** that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### *Transmission of shares*

- 23.(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

- 25.(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

**Provided** that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the



Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### *Forfeiture of shares*

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declaring is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.



### *Alteration of capital*

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in there solution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided** that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

### *Capitalisation of profits*

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—



(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### ***Buy-back of shares***

40. 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.

#### ***General meetings***



41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### ***Proceedings at general meetings***

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### ***Adjournment of meeting***

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### ***Voting rights***

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.



(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54. (i) 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.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### ***Proxy***

55. 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 taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided** that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### ***Board of Directors***

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
59. The following shall be the First Directors of the Company.
1. Capt V.N Kumar
  2. Mr. Abhey Yograj
60. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.



(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

61. The Board may pay all expenses incurred in getting up and registering the company.
62. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
63. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, / endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
64. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
65. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### ***Proceedings of the Board***

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
67. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
68. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
69. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.



(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

70. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

71. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

72. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

73. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be director.

74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

75. Subject to the provisions of the Act,—

(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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

76. 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.

***The Seal***

77. (i) The Board shall provide for the safe custody of the seal.





(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### ***Dividends and Reserve***

78. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
79. 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.
80. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary to divide, without setting them aside as a reserve.
81. (i) 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.
- (ii) 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.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
82. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
83. (i) 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.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
84. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
85. 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.



86. No dividend shall bear interest against the company.

#### *Accounts*

87. (i) 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.

(ii) 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 the company in general meeting.

#### *Winding up*

88. Subject to the provisions of Chapter XX of the Act and rules made there under—

(i) If the company shall be wound up, the liquidator may, with the sanction of especial 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.

#### *Indemnity*

89. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the date of filing of this Prospectus), These contracts, copies of which will be attached to the copy of the Prospectus, to be delivered to the Registrar of Companies, Delhi for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at Lower Ground Floor, Plot No. 38 Okhla Phase 3 new delhi South Delhi DL 110020 from 11.00 a.m. to 4.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date.

#### MATERIAL CONTRACTS

- 1) Memorandum of Understanding dated 6<sup>th</sup> December, 2017 between our Company and the Lead Manager to the Issue.
- 2) Memorandum of Understanding dated 6<sup>th</sup> December, 2017 entered into with MAS Services Limited to appointing them as the Registrar to the Issue.
- 3) Copy of tripartite agreement dated 7<sup>th</sup> February, 2018 between NSDL, our Company and MAS Services Limited.
- 4) Copy of tripartite agreement dated 30<sup>th</sup> January, 2018 between CDSL, our Company and MAS Services Limited.
- 5) Bankers to the Issue Agreement dated 28<sup>th</sup> February, 2018 between our Company, Lead Manager, Banker to the Issue and the Registrar to the issue.
- 6) Market Making Agreement dated 28<sup>th</sup> February, 2018 between our Company, Lead Manager and Market Maker.
- 7) Underwriting Agreement dated 28<sup>th</sup> February, 2018 between our Company and Underwriters.

#### DOCUMENTS FOR INSPECTION

- 8) Memorandum and Articles of Association of our Company as amended from time to time.
- 9) Copy of the resolution passed at the meeting of the Board of Directors held on 7<sup>th</sup> November, 2017 approving the issue.
- 10) Copies of Annual Reports for the Five (5) Financial years ended on March 31, 2017, 2016, 2015, 2014 & 2013.
- 11) Copy of the resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 1<sup>st</sup> December, 2017.
- 12) Copy of Shareholders resolution dated 30<sup>th</sup> September, 2017 appointing Mr. Praveen Rastogi as the Managing Director for a period of Five (5) years w.e.f. 1<sup>st</sup> October, 2017 and approving their remuneration and terms.
- 13) Consents of the Directors, Company Secretary/Compliance Officer, Chief Financial Officer, Statutory / Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue,



Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Prospectus to act their respective capacities.

- 14) Audit report and restated financial information issued by Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 28<sup>th</sup> February, 2018 included in the Prospectus.
- 15) Letter dated 6<sup>th</sup> December, 2017 from the statutory Auditors of our Company, M/s PMAS & Associates LLP, Chartered Accountants, detailing the tax benefits.
- 16) Copy of certificate from the statutory Auditors of our Company, M/s PMAS & Associates LLP, Chartered Accountants, dated 28<sup>th</sup> February, 2018, regarding the sources and deployment of funds as on 31<sup>st</sup> January, 2018.
- 17) Board Resolution dated 1<sup>st</sup> March, 2018 for approval of Prospectus.
- 18) Due Diligence Certificate dated 1<sup>st</sup> March, 2018 to be submitted to SEBI from Lead Manager viz. Navigant Corporate Advisors Limited along with the filing of the Prospectus.
- 19) Copy of approval from NSE vide letter dated 02<sup>nd</sup> February, 2018 to use the name of NSE in this offer document for listing of Equity Shares NSE EMERGE.

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

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### Signed by all the Directors of Our Company

NAME AND DESIGNATION	DIN	ADDRESS	Signature
Mr. Praveen Rastogi, Managing Director	01414608	H. NO. 760 Kot Sharki D Ashink Sambhal 244302 UP IN	
Mrs. Jaishree Rastogi, Executive and Non Independent Director	01414622	H. NO. 760 Kot Sharki D Ashink Sambhal 244302 UP IN	
Mr. Sachin Rastogi, Non Executive And Non Independent Director	05134858	KOT East, TEH. Sambhal Moradabad Sambhal 244302 UP IN	
Mr. Mujuffar Khan, Non Executive And Independent Director	07976446	310 Mehmoodpur Nafi, Tehsil Bilari, Moradabad, Uttar Pradesh -244301	
Mr. Prashant Rastogi, Non Executive And Independent Director	07974052	MOH. KOT East Sambhal Sambhal 244302 UP IN	

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

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Mr. Utpal Tandon  
Chief Financial Officer

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Mr. Abhinav Mishra  
Company Secretary and  
Compliance Officer

Place: New Delhi  
Date: 1<sup>st</sup> March, 2018

