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# VISHWARAJ SUGAR INDUSTRIES LIMITED

## CIN: U85110KA1995PLC017730

**Our Company was incorporated as a public limited company under the Companies Act, 1956 in the name of Vishwanath Sugars Limited vide Certificate of Incorporation dated May 02, 1995 with the Registrar of Companies, Bangalore bearing Registration Number - 017730. Our Company was granted the Certificate of Commencement of Business by the RoC, Bangalore on December 21, 1999. The name of our Company was subsequently changed to Vishwanath Sugar and Steel Limited and a Fresh Certificate of Incorporation dated December 28, 2010 was issued by the Registrar of Companies, Bangalore. The name of our Company was further changed to Vishwaraj Sugar Industries Limited vide Certificate of Incorporation dated November 29, 2012 granted by the Registrar of Companies, Bangalore. For details of change in registered address of the Company, please refer the chapter "History and Certain Corporate Matters" on page no. 166 of the Prospectus.**

**Registered Office:** Bellad Bagewadi, Taluka Hukkeri, District Belgaum–591 305; **Tel:**+91–8333 – 251251 **Email:** info@vsil.co.in;
**Website**: www.vsil.co.in; **Company Secretary and Compliance Officer:** Mrs. Sneha Patil

## OUR PROMOTERS: MR UMESH KATTI, MR. RAMESH KATTI, MRS. SHEELA KATTI, MRS. JAYSHREE KATTI, MR. NIKHIL KATTI, MR. LAVA KATTI, MR. KUSH KATTI AND MRS. SNEHA NITHIN DEV

# BASIS OF ALLOTMENT

The Equity Shares are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the trading will commence on October 15, 2019, subject to receipt or listing and trading approvals from the Stock Exchanges.

**INITIAL PUBLIC OFFER OF UPTO 1,00,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF VISHWARAJ SUGAR INDUSTRIES LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ 60 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 50 PER EQUITY SHARE) AGGREGATING UP TO ₹ 6,000 LAKHS (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UPTO 30,00,000 EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 1,800 LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 70,00,000 EQUITY SHARES BY THE PERSONS LISTED IN ANNEXURE A (COLLECTIVELY REFERRED TO AS THE SELLING SHAREHOLDERS") AGGREGATING TO ₹ 4,200 LAKHS ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE UPTO 26.63%, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH.**
**THE OFFER PRICE IS ₹ 60 PER EQUITY SHARE, WHICH IS 6.00 TIMES THE FACE VALUE OF THE EQUITY SHARE.**

| | | |
|---|---|---|
| QIB Category | : | Atleast 10% of the Offer; |
| Non-Institutional Bidder Category | : | Not less than 40% of the Offer; |
| Retail Category | : | Not less than 50% of the Offer |

## RISKS TO INVESTORS

(i) The Book Running Lead Manager associated with the Offer has handled 43 public issues in the past three years, out of which 8 issues closed below the Offer price on listing date.

(ii) We have incurred losses in the past and in particular for the financial year 2018-19, 2017-18 & 2014-15 and may incur losses in the future.

(iii) The Basic and Diluted EPS for the year ended March 31, 2019 and the Weighted average EPS for the year ended March 31, 2019 is negative, hence Price Earnings Ratio (P/E) in relation to the Price Band is not computable hence not comparable to the Industry P/E ratio.

(iv) The Weighted Average Return on net Worth for the last three financial years is negative i.e. 4.35 %

\(v) Average cost of acquisition per Equity Share by our Promoters, Mr. Umesh Katti is ₹ 11.71, Mr. Ramesh Katti is ₹ 9.30, Mr. Nikhil Katti is ₹ 12.55 and rest of other Promoters i.e Mrs. Sheela Katti, Mrs. Jayshree Katti, Mr. Lava Katti, Mr. Kush Katti and Mrs. Sneha Nithin Dev is ₹ 10/-. Average cost of acquisition per Equity Share by our Selling Shareholders is in the range of ₹ 5.00 to ₹ 14.08 and the Offer Price at the upper end of the Price Band is significantly high at is ₹ 60/-.

**BID / OFFER OPENED ON: MONDAY, SEPTEMBER 30, 2019**
**BID / OFFER CLOSED ON: FRIDAY, OCTOBER 04, 2019**

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Offer for atleast 25% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), where in 10% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 40% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors (''NII'') and not less than 50% of the Offer shall be available for allocation to Retail Individual Investors (''RII'') in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All potential investors are required to mandatorily use the Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and/ or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Specific attention of investors is invited to the chapter titled "Offer Procedure" on page no. 330 of the Prospectus.

The Offer received 4,732 Applications for 1,10,27,280 Equity Shares (before technical rejections) resulting in 1.10 times subscription. The details of the Applications received in the Offer (Before technical rejections) from various categories are as under

**Detail of the Applications Received**

| Sr. No. | Category | No. of Applications | No. of Equity Shares | Shares Reserved as per Prospectus | No. of Times Subscribed | Amount (In ₹ lakhs) |
|---|---|---|---|---|---|---|
| 1 | Retail Individual Investors | 4,563 | 30,18,240 | 50,00,000* | 0.60 | 1,808.76 |
| 2 | Non - Institutional Investors | 168 | 70,08,960 | 40,00,000 | 1.75 | 4,205.38 |
| 3 | Qualified Institutional Buyers | 1 | 10,00,080 | 10,00,000 | 1.00 | 600.05 |
| | **Total** | **4,732** | **1,10,27,280** | **1,00,00,000** | **1.10** | **6,614.18** |

* The under subscribed portion of 20,70,560 Equity Shares from this category has been spilled over to Non Institutional Investors category to the extent of 20,70,480 Equity Shares & QIB category to the extent of 80 Equity Shares.

**Final Demand**

A summary of the final demand as per the BSE and the NSE as on the Bid/Offer Closing Date at different Bid prices is as under:

| Sr. No. | Bid Price | No. of Equity Shares | % of Total | Cumulative Total | Cumulative % of Total |
|---|---|---|---|---|---|
| 1 | 55.00 | 51,600 | 0.46% | 1,12,04,640 | 100.00% |
| 2 | 56.00 | 7,440 | 0.07% | 1,11,53,040 | 99.54% |
| 3 | 57.00 | 8,880 | 0.08% | 1,11,45,600 | 99.47% |
| 4 | 58.00 | 7,680 | 0.07% | 1,11,36,720 | 99.39% |
| 5 | 59.00 | 2,160 | 0.02% | 1,11,29,040 | 99.33% |
| 6 | 60.00 | 92,13,600 | 82.23% | 1,11,26,880 | 99.31% |
| 7 | CUT OFF | 19,13,280 | 17.08% | 19,13,280 | 17.08% |
| | **Total** | **1,12,04,640** | **100.00%** | | |

The Basis of Allotment was finalised in consultation with the Designated Stock Exchange – BSE Limited on October 10, 2019.

**1) Allotment to Retail Individual Investors (After Technical Rejections)**

The Basis of Allotment to the Retail Individual Investors, who have Bid at Cut-off Price or at the Offer Price of ₹ 60 per Equity Share, was finalized in consultation with BSE. The category has been subscribed to the extent of 0.585 times. The total number of Equity Shares Allotted in this category is 29,29,440 Equity Shares to 4,274 successful applicants. The category-wise details of the Basis of Allotment are as under:

| No. of Shares Applied for (Category Wise) | No. of Applications Received | % to Total | Total No. of Shares Applied in Each Category | % to Total | No. of Equity Shares Allotted per Applicant | Ratio | Total No. of Shares Allotted |
|---|---|---|---|---|---|---|---|
| 240 | 3,427 | 80.18 | 8,22,480 | 28.08 | 240 | 1:1 | 8,22,480 |
| 480 | 152 | 3.56 | 72,960 | 2.49 | 480 | 1:1 | 72,960 |
| 720 | 24 | 0.56 | 17,280 | 0.59 | 720 | 1:1 | 17,280 |
| 960 | 11 | 0.26 | 10,560 | 0.36 | 960 | 1:1 | 10,560 |
| 1,200 | 14 | 0.33 | 16,800 | 0.57 | 1,200 | 1:1 | 16,800 |
| 1,440 | 4 | 0.09 | 5,760 | 0.20 | 1,440 | 1:1 | 5,760 |
| 1,680 | 2 | 0.05 | 3,360 | 0.11 | 1,680 | 1:1 | 3,360 |
| 1,920 | 3 | 0.07 | 5,760 | 0.20 | 1,920 | 1:1 | 5,760 |
| 2,160 | 1 | 0.02 | 2,160 | 0.07 | 2,160 | 1:1 | 2,160 |
| 2,400 | 16 | 0.37 | 38,400 | 1.31 | 2,400 | 1:1 | 38,400 |
| 2,880 | 2 | 0.05 | 5,760 | 0.20 | 2,880 | 1:1 | 5,760 |
| 3,120 | 618 | 14.46 | 19,28,160 | 65.82 | 3,120 | 1:1 | 19,28,160 |
| **Total** | **4,274** | **100.00** | **29,29,440** | **100.00** | | | **29,29,440** |

The under subscribed portion of 20,70,560 Equity Shares from this category has been spilled over to Non Institutional Investors category to the extent of 20,70,480 Equity Shares & QIB category to the extent of 80 Equity Shares.

**2) Allotment to Non Institutional Investors (After Technical Rejections)**

The Basis of Allotment to the Non-Institutional Investors, who have bid at the Offer Price of ₹60 per Equity Share or above, was finalized in consultation with the BSE. This category has been subscribed to the extent of 1.154 times. The total number of Equity Shares allotted in this category is 60,70,480 Equity Shares (including spill over of 20,70,480 shares from RII category) to 168 successful applicants. The category-wise details of the Basis of Allotment are as under:

| No. of Shares Applied for (Category Wise) | No. of Applications Received | % to Total | Total No. of Shares Applied in Each Category | % to Total | No. of Equity Shares Allotted per Applicant | Ratio | Total No. of Shares Allotted |
|---|---|---|---|---|---|---|---|
| 3,360 | 107 | 63.69 | 3,59,520 | 5.13 | 2,910 | 1:1 | 3,11,370 |
| 3,360 | (Lottery – Qualifying Serial Nos. - 1, 22, 33, 45, 48, 55, 68, 79, 83, 89, 90, 94, 104, 107) | | | | 14 | 14:107 | 14 |
| 4,080 | 1 | 0.60 | 4,080 | 0.06 | 3,534 | 1:1 | 3,534 |
| 4,320 | 3 | 1.79 | 12,960 | 0.18 | 3,742 | 1:1 | 11,226 |
| 4,800 | 1 | 0.60 | 4,800 | 0.07 | 4,157 | 1:1 | 4,157 |
| 5,040 | 2 | 1.19 | 10,080 | 0.14 | 4,365 | 1:1 | 8,730 |
| 6,000 | 1 | 0.60 | 6,000 | 0.09 | 5,197 | 1:1 | 5,197 |
| 6,480 | 5 | 2.98 | 32,400 | 0.46 | 5,612 | 1:1 | 28,060 |
| 6,720 | 3 | 1.79 | 20,160 | 0.29 | 5,820 | 1:1 | 17,460 |
| 8,640 | 1 | 0.60 | 8,640 | 0.12 | 7,483 | 1:1 | 7,483 |
| 8,880 | 1 | 0.60 | 8,880 | 0.13 | 7,691 | 1:1 | 7,691 |
| 10,080 | 2 | 1.19 | 20,160 | 0.29 | 8,730 | 1:1 | 17,460 |
| 11,760 | 1 | 0.60 | 11,760 | 0.17 | 10,185 | 1:1 | 10,185 |
| 13,440 | 4 | 2.38 | 53,760 | 0.77 | 11,640 | 1:1 | 46,560 |
| 15,360 | 1 | 0.60 | 15,360 | 0.22 | 13,303 | 1:1 | 13,303 |
| 16,800 | 1 | 0.60 | 16,800 | 0.24 | 14,551 | 1:1 | 14,551 |
| 18,240 | 1 | 0.60 | 18,240 | 0.26 | 15,798 | 1:1 | 15,798 |
| 21,120 | 1 | 0.60 | 21,120 | 0.30 | 18,292 | 1:1 | 18,292 |
| 21,600 | 1 | 0.60 | 21,600 | 0.31 | 18,708 | 1:1 | 18,708 |
| 30,000 | 1 | 0.60 | 30,000 | 0.43 | 25,983 | 1:1 | 25,983 |
| 33,360 | 1 | 0.60 | 33,360 | 0.48 | 28,893 | 1:1 | 28,893 |
| 33,600 | 3 | 1.79 | 1,00,800 | 1.44 | 29,101 | 1:1 | 87,303 |
| 42,000 | 2 | 1.19 | 84,000 | 1.20 | 36,376 | 1:1 | 72,752 |
| 43,200 | 1 | 0.60 | 43,200 | 0.62 | 37,416 | 1:1 | 37,416 |
| 49,920 | 5 | 2.98 | 2,49,600 | 3.56 | 43,236 | 1:1 | 2,16,180 |
| 51,600 | 1 | 0.60 | 51,600 | 0.74 | 44,691 | 1:1 | 44,691 |
| 58,560 | 1 | 0.60 | 58,560 | 0.84 | 50,719 | 1:1 | 50,719 |
| 66,480 | 1 | 0.60 | 66,480 | 0.95 | 57,579 | 1:1 | 57,579 |
| 66,720 | 1 | 0.60 | 66,720 | 0.95 | 57,786 | 1:1 | 57,786 |
| 91,680 | 1 | 0.60 | 91,680 | 1.31 | 79,404 | 1:1 | 79,404 |
| 1,08,000 | 1 | 0.60 | 1,08,000 | 1.54 | 93,539 | 1:1 | 93,539 |
| 1,24,800 | 1 | 0.60 | 1,24,800 | 1.78 | 1,08,090 | 1:1 | 1,08,090 |
| 2,41,440 | 1 | 0.60 | 2,41,440 | 3.44 | 2,09,112 | 1:1 | 2,09,112 |
| 2,49,600 | 1 | 0.60 | 2,49,600 | 3.56 | 2,16,179 | 1:1 | 2,16,179 |
| 3,07,680 | 1 | 0.60 | 3,07,680 | 4.39 | 2,66,483 | 1:1 | 2,66,483 |
| 3,33,360 | 2 | 1.19 | 6,66,720 | 9.51 | 2,88,724 | 1:1 | 5,77,448 |
| 3,49,920 | 1 | 0.60 | 3,49,920 | 4.99 | 3,03,067 | 1:1 | 3,03,067 |
| 4,23,600 | 1 | 0.60 | 4,23,600 | 6.04 | 3,66,881 | 1:1 | 3,66,881 |
| 5,07,600 | 1 | 0.60 | 5,07,600 | 7.24 | 4,39,634 | 1:1 | 4,39,634 |
| 8,01,360 | 1 | 0.60 | 8,01,360 | 11.43 | 6,94,060 | 1:1 | 6,94,060 |
| 8,33,280 | 1 | 0.60 | 8,33,280 | 11.89 | 7,21,706 | 1:1 | 7,21,706 |
| 8,72,640 | 1 | 0.60 | 8,72,640 | 12.45 | 7,55,796 | 1:1 | 7,55,796 |
| **Total** | **168** | **100.00** | **70,08,960** | **100.00** | | | **60,70,480** |

The above includes spill over of 20,70,480 Equity Shares from RII category.

**3) Allotment to QIBs**

Allotment to QIBs, who have bid at the Offer Price of ₹ 60 per Equity Share or above, has been done on a proportionate basis in consultation with the BSE. This category has been subscribed to the extent of 1.000 times of QIB portion. The total number of Equity Shares allotted in the QIB category is 10,00,080 Equity Shares (including spill over of 80 shares from RII category), which were allotted to 1 successful Applicant.

| Category | FIs/BANKS | MF'S | FPI | AIF | FII | OTHERS | Total |
|---|---|---|---|---|---|---|---|
| QIB | - | - | - | - | 1 | - | 1 |

The Board of Directors of our Company at its meeting held on October 11, 2019 has taken on record the basis of allotment of Equity Shares approved by the Designated Stock Exchange, being BSE and has allotted the Equity Shares to various successful applicants. The Allotment Advice Cum Refund Intimation will be intimated to the investors as registered with the depositories. Further, instructions to the SCSBs have been dispatched/mailed for unblocking of funds and transfer to the Public Offer Account on or before October 14, 2019. In case the same is not received within ten days, investors may contact the Registrar to the Offer at the address given below. The Equity Shares allotted to the successful allottees have been uploaded on or before October 14, 2019 for credit into the respective beneficiary accounts subject to validation of the account details with the depositories concerned. The Company has filed the Listing application with BSE and NSE on or before October 14, 2019. Our Company is taking steps to get the Equity Shares admitted for trading on the BSE and NSE within 6 working days of the closure of the Offer.

**Note:** All capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Prospectus dated October 05, 2019 filed with the Registrar of Companies, Bengaluru ("RoC").

## INVESTORS PLEASE NOTE

**The details of the allotment made has been hosted on the website of the Registrar to the Offer, Bigshare Services Private Limited at Website: www.bigshareonline.com**

All future correspondence in this regard may kindly be addressed to the Registrar to the Offer quoting full name of the First/ Sole Bidder, Serial number of the ASBA form, number of Equity Shares bid for, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and copy of the Acknowledgment Slip received from the Designated Intermediary and payment details at the address given below:

**BIGSHARE SERVICES PRIVATE LIMITED**
1st Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059. **Tel:** +91 – 22 – 6263 8200
**Fax:** +91 – 22 – 6263 8299 **Email:** ipo@bigshareonline.com;
**Website:** www.bigshareonline.com **Contact Person:** Mr. Ashish Bhope;
**SEBI Registration No.:** INR000001385

**For Vishwaraj Sugar Industries Limited**
**On Behalf of the Board of Directors**
**Sd/-**
**Place: Bellad Bagewadi**
**Date: October 14, 2019**
**Company Secretary and Compliance Officer**

**LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARE ON LISTING OR THE BUSINESS PROSPECTS OF VISHWARAJ SUGAR INDUSTRIES LIMITED.**

**Vishwaraj Sugar Industries Limited,** is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make a Public Offer of its Equity Shares and has filed the Prospectus with Registrar of Companies, Bengaluru, Karnataka. The Prospectus shall be available on the website of the SEBI at www.sebi.gov.in, website of the Company at www.vsil.co.in, the website of the BRLM to the Offer at www.afsl.co.in and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively. Bidders should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the Prospectus, including, the section titled "Risk Factors" beginning on page 17 of the Prospectus.

This document is not an Issue of securities for sale in the United States or elsewhere. This document has been prepared for publication in India and is not for publication or distribution, directly, or indirectly, in or into the United States. The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States. Accordingly, such Equity Shares are being offered and sold outside of 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. There will be no public offering of the Equity Shares in the Unites States.

Sunjeet Comm.