



Shree Shubham Logistics Limited

Our Company was incorporated on January 19, 2007 under the Companies Act, 1956, as "Shree Shubham Logistics Private Limited". It was converted from a private limited company to a public limited company under the Companies Act, 1956 with the name, "Shree Shubham Logistics Limited" and received a fresh certificate of incorporation from the Registrar of Companies Gujarat, Dadra and Nagar Haveli ("RoC"), on April 20, 2007.

Registered Office: Plot No. A-1 & A-2, G.I.D.C. Electronic Estate, Sector 25, Gandhinagar - 382 004, Gujarat, India

Corporate Office: Unit No. 72, 7th Floor, "Kalpataru Square", Kondivita Lane, off Andheri Kurla Road, Andheri (East), Mumbai - 400 059, India

For information in relation to changes in our name, please see the section titled "History and Certain Corporate Matters" on page 189.

There has been no change in the registered office of our Company since incorporation.

Telephone: +91 22 3364 7500; **Facsimile:** +91 22 3364 7502

Company Secretary and Compliance Officer: Mr. Krishna Kumar Mishra; **Telephone:** +91 79 2321 4563; **Facsimile:** +91 79 2321 1966

E-mail: cs@ssl.in; **Website:** www.ssl.in CIN: U60232GJ2007PLC049796

PROMOTERS OF OUR COMPANY: KALPATARU POWER TRANSMISSION LIMITED, MR. ADITYA BAFNA AND MR. SHUBHENDRA KUMAR BAFNA

PUBLIC OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF SHREE SHUBHAM LOGISTICS LIMITED ("COMPANY" OR THE "ISSUER") ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 2,100 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 7,007,876 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY TANO INDIA PRIVATE EQUITY FUND II (THE "SELLING SHAREHOLDER") (THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF 100,000 EQUITY SHARES FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE FULLY DILUTED POST-OFFER PAID UP EQUITY CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF EACH EQUITY SHARE IS ₹ 10 EACH

OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS MAY DECIDE TO OFFER A DISCOUNT OF UP TO 5% OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE EXCESS AMOUNT PAID AT THE TIME OF BIDDING BY THE ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION SHALL BE REFUNDED TO THE ELIGIBLE EMPLOYEES.

THE PRICE BAND, EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision in the Price Band, the Bidding Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the BSE Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE"), by issuing a press release and also by indicating the change on the website of the BRLMs, at the terminals of the Syndicate Members and by intimation to Self Certified Syndicate Banks ("SCSBs").

This Offer is being made pursuant to Regulation 41 of the SEBI Regulations read with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") for [●] Equity Shares aggregating up to ₹ 2,100 million. The Offer is being made through the Book Building Process in compliance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), wherein at least 75% of the Net Offer shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (defined hereinafter). Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75 % of the Net Offer cannot be Allotted to QIBs, all the application monies will be refunded forthwith. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price. All investors, other than Anchor Investors, can participate through the Application Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs"). However, QIBs (excluding Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA only. For details, please see the section titled "Offer Procedure" at page 408.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price as determined by our Company and the Selling Shareholder, in consultation with the BRLMs, in accordance with the SEBI Regulations and as justified in the section titled "Basis for Offer Price" at page 113, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" at page 17.

ISSUER'S AND THE SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. The Selling Shareholder certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus in so far as they pertain to itself and the Equity Shares offered by it in the Offer for Sale, are true and correct and it assumes no responsibility for statements of any other person(s).

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the BSE Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

 INGA			
Inga Capital Private Limited Naman Midtown, 'A' Wing, 21 st Floor Senapati Bapat Marg Elphinstone (West), Mumbai 400 013 Tel: +91 22 4031 3489 Fax: +91 22 4031 3379 Email: ssl.ipo@ingacapital.com Investor Grievance Email: investors@ingacapital.com Website: www.ingacapital.com Contact Person: Mr. Ashwani Tandon SEBI Registration Number: INM000010924	Citigroup Global Markets India Private Limited 1201, 12 th Floor, First International Financial Centre G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Telephone: +91 22 6175 9999 Facsimile: +91 22 6175 9897 Email: ssl.ipo@citi.com Website: http://www.online.citibank.co.in/rhtml/ citigroupglobalscreen1.htm Investor Grievance Email: investors.cgmib@citi.com Contact Person: Mr. Nikhil Divecha SEBI Registration No.: INM000010718	IDFC Securities Limited Naman Chambers C-32, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel : +91 22 6622 2600 Fax : +91 22 6622 2501 Email : ssl.ipo@idfc.com Investor Grievance Email: investorgrievance@idfc.com Website: www.idfcapital.com Contact Person: Mr. Akshay Bhandari SEBI Registration No.: MB/INM000011336	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai - 400 078 Maharashtra, India Telephone: +91 22 6171 5400 Facsimile: +91 22 2596 0329 E-mail: ssl.ipo@linkintime.co.in Investor Grievance Email: ssl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID OPENING DATE: [●]	BID CLOSING DATE (FOR QIBs): [●]"
	BID CLOSING DATE (FOR ALL OTHER BIDDERS): [●]

"Our Company and the Selling Shareholder may, in consultation with the BRLMs consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Period, i.e., one Working Day prior to the Bid Opening Date.

"Our Company and the Selling Shareholder may, in consultation with the BRLMs, decide to close the Bidding Period for QIBs one Working Day prior to the Bid Closing Date

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies, unless the context otherwise requires, will be deemed to include all amendments and modifications notified thereto, as on date of this Draft Red Herring Prospectus.

Company Related Terms

Term	Description
Amendment Agreement	Agreement dated February 5, 2015 between KPTL and Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna, our Company and Tano India Private Equity Fund II, amending the Investment Agreement
Amiti	Amiti Overseas DMCC
Amparo	Amparo UAE General Trading LLC
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board
“Board” or “Board of Directors” or “our Board”	The board of directors of our Company, as duly constituted from time to time including any duly constituted committees thereof
CCDs	Compulsory convertible debentures of face value ₹ 4,490,000 issued by our Company
Compliance Officer	Mr. Krishna Kumar Mishra
Corporate Office	The corporate office of our Company, located at Unit No. 72, 7 th Floor, “Kalpataru Square”, Kondivita Lane, off Andheri Kurla Road, Andheri (East), Mumbai - 400 059, Maharashtra, India
“Corporate Promoter” or “KPTL”	Kalpataru Power Transmission Limited
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board
Director(s)	The director(s) on our Board
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
ESOP Scheme	The employee stock option scheme approved by our Company pursuant to a resolution passed by our Board on July 31, 2014 and pursuant to a resolution passed by the shareholders of our Company on August 25, 2014
Group Entities	The companies, firms, ventures, etc. promoted by our Promoters, as described in the section titled “ <i>Our Group Entities</i> ” on page 222
Individual Promoters	Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna
Investment Agreement	Investment agreement dated April 4, 2013 among KPTL, Mr. Aditya Bafna, Mr. Shubhendra Kumar Bafna, our Company and Tano, as amended
Key Managerial Personnel or “KMP”	The personnel listed as key managerial personnel in the section titled “ <i>Our Management</i> ” on page 199
KPTL	Kalpataru Power Transmission Limited
Listing Agreements	Equity listing agreements to be entered into by our Company with each of the Stock Exchanges
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended from time to time
“Our Company” or “the Company” or “the Issuer”	Shree Shubham Logistics Limited
Preference Shares	4% Cumulative redeemable preference shares of face value ₹ 10 each issued by our Company. The Preference Shares are redeemable within 20 years from the respective allotment date, commencing from 11 th year of such allotment or earlier as per the discretion of the Board.
Promoters	The promoters of our Company, that is, Kalpataru Power Transmission Limited, Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled “ <i>Our Promoters and Promoter Group</i> ” on page 216
Registered Office	The registered office of our Company, located at Plot No. A-1 & A-2, G.I.D.C.

Term	Description
Restated Financial Statements	Electronic Estate, Sector 25, Gandhinagar – 382 004, Gujarat, India Standalone restated financial statements as of and for the Fiscal Years 2010, 2011, 2012, 2013 and 2014 and the six month period ended September 30, 2014 and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI Regulations
Risk Management Committee	The risk management committee of our Board
“Selling Shareholder” or “Tano”	Tano India Private Equity Fund II, a company established under the laws of Mauritius, having its principal office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius
Stakeholders Relationship Committee	The stakeholders relationship committee of our Board
Statutory Auditors	The statutory auditors of our Company, being Deloitte Haskins & Sells, Chartered Accountants
Subsidiary or “PHTCPL”	The subsidiary of our Company, namely, Punarvasu Holding and Trading Company Private Limited
“We”, “us” or “our”	Our Company and its Subsidiary, on a consolidated basis

Offer Related Terms

Term	Description
“Allot” or “Allotment” or “Allotted”	The allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale to successful Bidders
Allotment Advice	The note, advice or intimation of Allotment sent to the Bidders who are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange, in accordance with the Book Building Process
Allottee	A successful Bidder to whom Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 100 million, in accordance with the requirements specified in the SEBI Regulations
Anchor Investor Allocation Notice	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Anchor Investor Bidding Date
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which shall be higher than or equal to the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice but not later than two Working Days after the Bid Closing Date
Anchor Investor Portion	The portion of the Net Offer available for allocation to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations, being up to 60% of the QIB Portion or up to [●] Equity Shares
“ASBA” or “Application Supported by Blocked Amount”	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer. Anchor Investors are not permitted to participate through the ASBA process.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder as per the Bid-cum-Application Form submitted by the ASBA Bidder

Term	Description
ASBA Bidder	Any Bidder, other than Anchor Investors, in this Offer who Bids through ASBA
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders, as set out in the section titled “Offer Procedure – Allotment Procedure and Basis of Allotment” on page 454
Bid	An indication by a Bidder to make an offer during the Anchor Investor Bidding Date or Bidding Period, pursuant to submission of the Bid cum Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus and the Bid cum Application Form
Bidder	A prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor
Bidding	The process of making a Bid
Bid Amount	The highest value of Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of a Bid
Bid cum Application Form	The form, which is serially numbered comprising an eight digit application number, in terms of which a Bidder (including ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, the Registered Brokers and the SCSBs will not accept any Bids, and which shall be notified in an English national newspaper, Hindi national daily newspaper and a Gujarati newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the website of the BRLMs, at the terminals of the Syndicate Members and by intimation to SCSBs, as required under the SEBI Regulations. Further, our Company and the Selling Shareholder, in consultation with the BRLMs, may decide to close the Bidding Period for QIBs one Working Day prior to the Bid Closing Date, in accordance with the SEBI Regulations
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, the Registered Brokers and the SCSBs shall start accepting Bids, and which shall be the date notified in an English national newspaper, a Hindi national daily newspaper and a Gujarati newspaper, each with wide circulation.
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date inclusive of such date and the Bid Opening Date) during which Bidders (including ASBA Bidders), other than Anchor Investors, can submit their Bids, including any revisions thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholder may, in consultation with the BRLMs, decide to close Bidding by QIBs one Working Day prior to the Bid Closing Date.
Bid Lot	[●] Equity Shares
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations
“Book Running Lead Managers” or “BRLMs”	Book running lead managers to this Offer, being Inga Capital Private Limited, Citigroup Global Markets India Private Limited, and IDFC Securities Limited.
Cap Price	The higher end of the Price Band and any revisions thereof, above which the Offer Price, the Anchor Investor Allocation Price and the Anchor Investment Allotment Price will not be finalised and above which no Bids will be accepted
Category II Foreign Portfolio Investor	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
Controlling Branches	Such branches of the SCSBs which coordinate with the Registrar to the Offer, the BRLMs and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and at such other websites as may be prescribed by SEBI from time to time
Cut-Off Price	The Offer Price determined by our Company and the Selling Shareholder in consultation with the BRLMs, at which only the Retail Individual Bidders are entitled to Bid.
Demographic Details	The address, the bank account details, MICR code, and occupation of a Bidder
Depository	A depository registered with SEBI under the Depositories Act, 1996

Term	Description
Designated Branches	Such branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the Bid cum Application Forms, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and at such other websites as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Accounts to the Public Offer Account(s) or the Refund Account, as appropriate, and instructions are issued to the SCSBs for transfer of funds from the ASBA Accounts specified by the ASBA Bidders to the Public Offer Account(s), as the case may be, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC.
“Designated Stock Exchange” or “DSE”	BSE Limited
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations and which does not contain complete particulars of the Offer
Eligible Employee	A permanent and full-time employee of (i) our Company; (ii) our Corporate Promoter and (iii) our Subsidiary; and a Director of our Company, whether whole-time or part-time, as on the date of the Red Herring Prospectus, who is an Indian national and is based, working and present in India as on the date of submission of the Bid cum Application Form and who continues to be in such employment until submission of the Bid cum Application Form, but excludes our Promoter and Promoter Group and such other persons not eligible under applicable laws, rules, regulations and guidelines.
Eligible FPIs	RFPs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI	An NRI from a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof
Employee Discount	Discount of up to 5% of the Offer Price to be given to the Eligible Employees
Employee Reservation Portion	100,000 Equity Shares, available for allocation to Eligible Employees
Escrow Account	Accounts opened for this Offer with Escrow Collection Banks and in whose favour cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the Escrow Collection Banks, the Refund Bank(s), the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Banks/Bankers to the Offer	The banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, subject to any revisions thereto at or above which the Offer Price will be finalized and below which no Bids will be accepted, in this case being ₹ [●]
Fresh Issue	The issue of [●] Equity Shares aggregating up to ₹ 2,100 million by our Company for subscription pursuant to the terms of the Red Herring Prospectus
General Information Document/GID	“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, as modified for certain legal updates.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, available for allocation to Mutual Funds only out of the Net QIB Portion on a proportionate basis
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	The Offer Proceeds less the sum of our Company’s share of the Offer expenses and proceeds from the Offer for Sale. For further information about use of the Net Proceeds, please see the section titled “ <i>Objects of the Offer</i> ” on page 105
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders/NIIs	Bidders (including Sub-Accounts which are foreign corporate or foreign individuals) who

Term	Description
	are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 200,000
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Net Offer consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Offer	Public offer of [●] Equity Shares aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,100 million by our Company and an Offer for Sale of up to 7,007,876 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder
Offer Agreement	The offer agreement dated February 19, 2015 among our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 7,007,876 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder
Offer Price	The price at which Allotment will be made, as determined by our Company and the Selling Shareholder, in consultation with the BRLMs Provided that for the purpose of Anchor Investors, this price shall be the Anchor Investor Offer Price.
Offer Proceeds	The proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price
Price Band	The price band between the Floor Price and Cap Price, including any revisions thereof decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in an English national newspaper, a Hindi national newspaper and a Gujarati newspaper, each with wide circulation in the place where our Registered and Corporate Office is situated, at least five Working Days prior to the Bid Opening Date
Pricing Date	The date on which the Offer Price is decided by our Company and the Selling Shareholder in consultation with the BRLMs
Prospectus	The prospectus to be filed with the RoC for this Offer after the Pricing Date, in accordance with the Companies Act, 2013, containing, <i>inter-alia</i> , the Offer Price, size of the Offer and certain other information
Public Offer Account	A bank account opened with the Bankers to the Offer by our Company and Selling Shareholder under section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts on the Designated Date.
“QFI” or “Qualified Foreign Investor”	A qualified foreign investor as defined in the SEBI FPI Regulations
“QIB” or “Qualified Institutional Buyer”	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIB Bid Closing Date	In the event our Company and the Selling Shareholder, in consultation with the BRLMs, decides to close the Bidding Period for QIBs one Working Day prior to the Bid Closing Date, the date one Working Day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date
QIB Portion	The portion of the Offer being at least 75% of the Net Offer or [●] Equity Shares which shall be Allotted to QIBs (including the Anchor Investor) on a proportionate basis
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued in accordance with the Companies Act, 2013 and the SEBI Regulations which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer
Registered Broker Centre	A broker centre of the stock exchanges with broker terminals, wherein a Registered Broker may accept Bid cum Application Forms, details of which are available on the website of the Stock Exchanges, and at such other websites as may be prescribed by SEBI from time to time
Registered Broker	A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers Regulations), 1992, having terminals in any of the Registered Broker Centres, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI, other than the members of the Syndicate
“Registered Foreign Portfolio Investor” or “RFPI”	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds of the whole or part of the Bid Amounts (excluding for the ASBA Bidders), if any, shall be made

Term	Description
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable
Refund Banker(s)	The Banker(s) to the Offer, with whom the Refund Account(s) will be opened, in this case being [●]
“Registrar” or “Registrar to the Offer”	Link Intime India Private Limited, the registrar to the Offer
Retail Individual Bidders	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs), who have Bid for Equity Shares for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Offer
Retail Portion	The portion of the Offer being not more than 10% of the Net Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI Regulations
Revision Form	The form used by the Bidders (other than QIB Bidders and Non-Institutional Bidders), to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision form(s), as applicable
“Self Certified Syndicate Banks” or “SCSBs”	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time
Selling Shareholder Escrow Agreement	Agreement to be entered into between the Selling Shareholder, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Bid cum Application Forms, a list of which is available on the website of SEBI (http://www.sebi.gov.in) and updated from time to time
Stock Exchanges	The BSE and the NSE
Sub Syndicate	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms and Revision Forms
Syndicate Agreement	The agreement to be entered into amongst the Syndicate, our Company and the Selling Shareholder in relation to collection of Bids in this Offer (excluding Bids from ASBA Bidders procured directly by SCSBs and Bids procured by Registered Brokers)
Syndicate Bidding Centres	Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Forms and Revision Forms
Syndicate Members	[●]
“Syndicate” or “members of the Syndicate”	The BRLMs and the Syndicate Members
“Transaction Registration Slip” or “TRS”	The slip or document issued by a Syndicate/Sub Syndicate, Registered Broker or an SCSB (only on demand), as the case may be, to the Bidder as proof of uploading of a Bid
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company, the Selling Shareholder and the Registrar to the Offer on or immediately after the Pricing Date
Working Days	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

Conventional/General Terms, Abbreviations and Reference to other Business Entities

Abbreviation	Full Form
AIFs	Alternative investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AGM	Annual general meeting
Agri-Logistics Park or “ALP”	Certain Owned Warehouses, which are designated by the Company as being its Agri-Logistics Parks. The Agri-Logistics Parks are scientifically designed and equipped with modern infrastructure conforming to WDRA standards at a minimum.
AS	Accounting standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment year

Abbreviation	Full Form
BAN	Beneficiary account number
BSE	BSE Limited
CAGR	Compounded annual growth rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Central ACL	Analysis and Certification Laboratory at Jodhpur, Basni Agricultural Produce Market Yard
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate identity number
CII	Confederation of Indian Industry
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 2013, to the extent notified and the rules thereunder and the Companies Act, 1956, to the extent in force
CPAI	Commodity Participants Association of India
CRISIL DPR Report	Report titled “Market and Financial Assessment for Agri Warehousing in Selected Districts of India” dated July 31, 2014 prepared by CRISIL Limited
CRISIL Industry Report	Report titled “Industry Report on Key Aspects of Agricultural Supply Chain in India” dated January 19, 2015 prepared by CRISIL Limited.
DCIT	Deputy Commissioner of Income Tax
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director identification number
DP	Depository participant, as defined under the Depositories Act
DP ID	Depository participant’s identification
Downstream Segment	The downstream segment is a part of the agri-commodities value chain, which includes wholesale and retail distribution and secondary processing of agri-commodities.
EBITDA	Earnings before interest, tax, depreciation and amortization
ECS	Electronic clearing system
EGM	Extraordinary general meeting
EPS	Earnings per share
European Union	A political-economic union of certain states that are located primarily in Europe.
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign direct investment, as laid down in the Consolidated FDI Policy dated April 17, 2014
FDI Policy	Consolidated Foreign Direct Investment Policy of India issued by the GoI from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations framed thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII	Foreign Institutional Investors as defined under the SEBI FPI Regulations and who are deemed to be Foreign Portfolio Investors under the SEBI FPI Regulations
FII Regulations	Erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FIPB	Foreign Investment Promotion Board
FIR	First Information Report
“Fiscal” or “Fiscal Year” or “Financial Year” or “FY”	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FTDRA	The Foreign Trade (Development and Regulation) Act, 1992.
FVCI	Foreign venture capital investors (as defined under the FVCI Regulations) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules under the Income Tax Act, 1961
GDP	Gross domestic product
GIR Number	General Index Register Number
“GoI” or “Government of India” or “Central Government”	The Government of India
“Government”	The Government of India and/ or State government, as the context may require

Abbreviation	Full Form
Hired Warehouses	Warehouses hired by our Company, as more particularly described in the section titled “ <i>Our Business</i> ” on page 153.
HNI	High net worth individual
HUF	Hindu undivided family
Hub Warehouses	Certain Owned Warehouses (i.e. the Agri-Logistics Parks), which are designated by the Company as its ‘hub warehouses’, and which function as central hubs of operations within a defined region.
ICAI	Institute of Chartered Accountants of India
IEC	Importer exporter code
IFRS	International Financial Reporting Standards
IndAs	Indian Accounting Standard 101 “First-time adoption of Indian Accounting Standards.
Indian GAAP	Generally accepted accounting principles in India
IPC	Indian Penal Code
IPO	Initial public offer
IRDAI	Insurance Regulatory and Development Authority of India
ISAM	Integrated scheme for Agricultural Marketing
IT	Information Technology
Income Tax Act	Income Tax Act, 1961
Income Tax Department	Income Tax Department, GoI
ITAT	Income Tax Appellate Tribunal
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs, GoI
MICR	Magnetic Ink Character Recognition
Midstream Segment	The midstream segment represents all activities inter-linking agricultural produce prior to its wholesale distribution
MODVAT	Modified Value Added Tax
NA	Not Applicable
NAV	Net Asset Value
NCDEX Agreement	Agreement dated October 26, 2009, as restated by an agreement dated June 12, 2014Our pursuant to which the Company is accredited with NCDEX as a warehousing service provider and assayer.
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881
NIF	National Investment Fund set up by resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India
“NR” or “Non Resident”	A person resident outside India, as defined under FEMA, including an NRI, an FII, an FPI and a FVCI
NRE	Non-Resident Entity
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
ODI	Offshore Derivative Instruments
OFAC	U.S. Treasury Department’s Office of Foreign Assets Control
Other Units	Units and facilities of the Company, which is not a warehouse and are managed and operated by the Company, and include units and facilities in relation to the Company’s testing & certification services and commodities procurement, primary processing & trading activities.
Owned Warehouses	Warehouses owned and operated by our Company, as more particularly described in the section titled “ <i>Our Business</i> ” on page 153.
p.a.	Per annum

Abbreviation	Full Form
PAN	Permanent account number allotted under the Income Tax Act
PAT	Profit after tax
PBT	Profit before tax
P/E Ratio	Price/earnings ratio
PLR	Prime lending rate
PPP	Public-Private-Partnership
PPP Warehouses	Warehouses under public-private-partnership.
Project Cost	The total cost for establishing Planned Warehouses as per the CRISIL DPR Report i.e. ₹ 2,942.2 million
RBI	Reserve Bank of India
“RoC” or “Registrar of Companies”	Registrar of Companies , Gujarat, Dadra and Nagar Haveli
“₹” or “Rupees” or “Rs.”	Indian Rupees
RSAMB	Rajasthan State Agricultural Marketing Board
RSAMB Agreement	A tender acceptance letter dated April 15, 2010 issued by the RSAMB and agreements for leasing arrangements for operations dated March 13, 2012 and August 7, 2013 in relation to the PPP between our Company and RSAMB.
RSWC	Rajasthan State Warehousing Corporation
RSWC Warehouses	All the warehouses of RSWC (whether owner or hired by the RSWC), which are covered under the revenue sharing arrangement of the RSWC MoU. These warehouses also fall within the category of PPP Warehouses.
RTGS	Real Time Gross Settlement
SAP	Software developed and licensed by SAP India Private Limited
Satellite ACLs	Testing and certification laboratories of the Company excluding the Central ACL
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI (Foreign Portfolio Investor) Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Securities Act	(U.S.) Securities Act of 1933
Spoke Warehouses	All warehouses managed and operated by the Company, which are not Hub Warehouses (i.e. Hired Warehouses, PPP Warehouses and Owned Warehouses, which are not Agri-Logistics Parks). These warehouses feed into the Company’s Hub Warehouses and are designated as ‘spoke warehouses’.
Sq. ft.	Square foot or square feet
Sq. mt.	Square metre
SSL Warehouses	In relation to the RSWC MoU, the Owned Warehouses and Hired Warehouses of our Company in Rajasthan, which are covered under the revenue sharing arrangement.
State government	The government of a state of India
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as repealed, and who can continue to buy, sell or otherwise deal in securities under the SEBI FPI Regulations
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TDS	Tax Deducted at Source
TIN	Taxpayer identification number
Upstream Segment	The upstream segment is a part of the agri-commodities value chain comprising of activities up to farming and harvesting of agri-commodities.
“U.S.” or “US” or “U.S.A” or “United States”	The United States of America, together with its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Abbreviation	Full Form
WDRA Registered Warehouses	Certain of our warehouses which are registered with the WDRA.

Industry/Project Related Terms, Definitions and Abbreviations

Abbreviation	Full Form
AMI	Agriculture Marketing Infrastructure
APEDA	Agricultural and Processed Food Products Export Development Authority
APMC	Agricultural Produce Market Committee
APMC Act	Agricultural Produce Marketing (Regulation) Acts in various states
CWC	Central Warehousing Corporation
FCI	Food Corporation of India
ISAM	Integrated scheme for Agricultural Marketing
MMT	Million Metric Tonnes
MOFA	Ministry of Food and Agriculture
MOFPI	Ministry of Food Processing Industries
NBFCs	Non-Banking Finance Companies
NCDEX	National Commodities and Derivatives Exchange Limited
NWR	Negotiable Warehouse Receipts
PEG	Private Entrepreneurs Godown
PSS	Price support scheme
RIDF	Rural Infrastructure Development Fund
WDRA	Warehousing Development Regulatory Authority of India
WIF	Warehouse Infrastructure Fund

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, 1956, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled, “*Statement of Tax Benefits*”, “*Financial Statements*” “*Main Provisions of the Articles of Association*” and “*Offer Procedure-Part B*” beginning at pages 116, 237, 465 and 426, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Currency of Presentation

All references to “Rupees”, “Rs.” “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “U.S. Dollar” or “USD” or “US\$” are to United States Dollar, the official currency of the United States of America. All reference to “AED” are to United Arab Emirates Dirham, “BDT” are to Bangladeshi Taka, “Naira” are to Nigerian Naira, “ZAR” are to South African Rand and “UAH” are to Ukrainian Hryvnia

Such translations should not be considered as a representation that such U.S. Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our standalone restated financial statements as of and for the Fiscal 2010, 2011, 2012, 2013 and 2014 and the six month period ended September 30, 2014 and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI Regulations (“**Restated Financial Statements**”).

Our Company’s fiscal year commences on April 1 and ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the 12 month period ended March 31 of that year.

All the numbers in this document have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise.

We prepare our audited financial statements in accordance with Indian GAAP, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, 2013, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under IFRS or U.S. GAAP and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All figures in decimals have been rounded off to two decimal points. 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.

Market and Industry Data

Industry and market data used throughout this Draft Red Herring Prospectus has been obtained from the report titled “Industry report on key aspects of agricultural supply chain in India” dated January 19, 2015 (“**CRISIL Industry Report**”) and the data used in the section titled “Objects of the Offer” has been obtained from Market and Financial Assessment for Agri Warehousing in Selected Districts of India dated July 31, 2014 (“**CRISIL DPR Report**”) which are commissioned report prepared by CRISIL Limited. We have not commissioned any report for purposes of the DRHP other than the CRISIL Industry Report and CRISIL DPR Report. We commissioned CRISIL’s research division to provide an independent assessment of the opportunities, dynamics and competitive landscape of the agricultural supply chain Industry. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis

of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, 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 17. Accordingly, investment decisions should not be based solely on such information.

Disclaimer

CRISIL's disclaimer clause in relation to the CRISIL Industry Report and CRISIL DPR Report

CRISIL Research, a division of CRISIL Limited (CRISIL), has taken due care and caution in preparing the Report based on the information obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. The Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. No third party whose information is referenced in this Report under credit to it, assumes any liability towards the user with respect to its information. The views expressed in the Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of the Report shall be quoted out of context or in the manner that it distorts its context or meaning.

Certain Conventions

All references in this Draft Red Herring Prospectus to India are to the Republic of India. All references in this Draft Red Herring Prospectus to the USA, U.S. or United States are to the United States of America.

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder.

Each purchaser of Equity Shares outside the United States will be deemed and/or required to represent and agree, among other things, that such purchaser is acquiring the Equity Shares in an “**offshore transaction**” in accordance with Regulation S under the U.S. Securities Act.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward looking statements”. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans, prospects or goals are also forward looking statements. All forward looking statements based on our current plans, estimates and expectations are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Dependence on the PPP with the Rajasthan State Warehousing Corporation (RSWC);
- Significant reliance on our key trading customers and suppliers;
- Our ability to effectively manage PHTCPL;
- Our ability to effectively establish new warehouses, grow our testing & certification services, and our primary processing plant at Netra, Rajasthan;
- Dependence on our accreditation with NCDEX;
- Litigation involving our Company, our Directors, our Promoters, our Subsidiary and our Group Entities;
- Significant reliance on commodities procurement, primary processing & trading activities;
- Our ability to effectively implement our business and growth strategies;
- Dependence on information technology and systems;
- Continued alignment of interests amongst our Promoters and ability to address any conflicts of interest;
- Changes in laws and regulations that apply to activities undertaken by us in the post-harvest value chain for agri-commodities;
- Our ability to effectively respond to competition and changes in technology; and
- General economic, political and other conditions in India and overseas, which are out of our control.

For a further discussion of factors that could cause our actual results to differ, please see the sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” beginning at pages 17, 153, and 285 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Forward-looking statements reflect only the current views of our Company as of the date of this Draft Red Herring Prospectus. None of our Company, the Selling Shareholder, our Directors, our officers, any of the BRLMs or any of their respective affiliates or associates have any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the BRLMs will ensure that investors in India are informed of material developments until the commencement of listing and trading of the Equity Shares. Further, in accordance with Regulation 51A of the SEBI Regulations, upon listing of Equity Shares of our Company, we may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus and make it publicly accessible in the manner as may be notified by SEBI.

The Selling Shareholder will ensure that investors are informed of material developments in relation to statements and undertakings made by it in the Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in relation to the Equity Shares. If any one or some combination of the following risks were to occur, our business, results of operations, financial condition and prospects could suffer, and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of these risks. We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Red Herring Prospectus may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. This section should be read together with the “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Our Company” as well as the “Financial Statements”, including the notes thereto, and other financial information included elsewhere in the Draft Red Herring Prospectus. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and the risks involved. Unless the context otherwise states, the financial information used in this section is derived from our Restated Financial Statements.

INTERNAL RISK FACTORS

- 1. We are heavily dependent on our PPP with the Rajasthan State Warehousing Corporation (RSWC), and could be adversely affected by the termination or renegotiation of the terms of the RSWC MoU.***

Our Company has entered into the RSWC MoU to manage and operate all of RSWC’s (present and future) warehouses across 38 specified locations in the state of Rajasthan. The RSWC MoU is for a term of 10 years (i.e. till March 4, 2020), which can be extended with mutual consent. As of November 30, 2014, our Company manages and operates 75 PPP Warehouses pursuant to the RSWC MoU, which provides for around 3.80 million sq. ft. of our total storage capacity in terms of storable floor plate area. Any additional warehouses acquired, developed or hired by RSWC at these 38 specified locations would provide us with additional storage capacity and related business opportunities.

The RSWC MoU is based on a revenue sharing model, and stipulates for the sharing of revenue generated from all the RSWC Warehouses (i.e. 75 out of 77 of our PPP Warehouses in Rajasthan as on November 30, 2014) and SSL Warehouses (i.e. all of our 12 Owned Warehouses and 30 Hired Warehouses in Rajasthan as on November 30, 2014).

As on November 30, 2014, the total storage capacity of the RSWC Warehouses and SSL Warehouses (which are covered under the revenue sharing arrangement of the RSWC MoU) is 6.44 million sq. ft. in terms of storable floor plate area. Further, the RSWC MoU also results in business opportunities associated with the government agencies involved, such as procurement and warehousing business for us. Our Company is heavily dependent on the RSWC MoU for our revenue resulting from it.

Further, the RSWC MoU stipulates that our Company is required to adhere to the rules of RSWC in relation to the operations at the warehouses covered under the RSWC MoU. The RSWC MoU also stipulates that our Company is required to make certain improvements / additions to the infrastructure at the RSWC Warehouses. However, we may not be able to adhere to the rules of the RSWC or make the required improvements / additions to the infrastructure at the RSWC Warehouses from time to time or recover the cost incurred in connection therewith.

A termination of the RSWC MoU or renegotiation thereof on terms, which are not favourable to us or non-renewal thereof, could adversely affect our business, reputation, financial condition and results of operations.

Moreover, in terms of the RSWC MoU, our Company assures the RSWC a minimum occupancy level of 70% of the storage capacity at the RSWC Warehouses (and other warehouses at locations mutually agreed upon), and warehousing charges in respect of any deficiency of the minimum occupancy level is to be borne by our Company (based on the storage charges of RSWC for food grains on a per bag per month basis). The occupancy level is to be determined on an average yearly basis across all the specified warehouses (and not on a per warehouses basis). Any inability to comply with this minimum occupancy level could adversely affect our business, reputation, financial condition and results of operations.

Further, as per the RSWC MoU, we are responsible for quality and quantity of the stocks stored at all warehouses covered under the RSWC MoU (i.e. the RSWC Warehouses and SSL Warehouses). However, we are dependent on RSWC for the pest management services as they are carried out solely by RSWC. If RSWC fails to carry out fumigation of the stocks stored at the RSWC Warehouses and SSL Warehouses in a timely manner, or fails to fumigate these warehouses appropriately, we may incur a liability on account of the deterioration in quality and quantity of stocks.

The RSWC MoU further stipulates that our Company will not establish any warehouses or enter into any similar arrangement (with a public body or a private entity) at the agreed locations in Rajasthan, without the approval from RSWC. Further, if our Company establishes any warehouses at the agreed locations in Rajasthan, the same will be governed by the terms of the RSWC MoU.

Pursuant to the RSWC MoU, with respect to our existing arrangement(s) with any other organization(s) to manage and operate their warehouse(s) in the state of Rajasthan, our Company is restricted from extending the duration of any such arrangement beyond its existing contract period. Further, at the expiry of the contract period of such arrangement, our Company is required to include the capacity of such warehouses governed by such arrangement under the terms of the RSWC MoU. We will be in breach of the RSWC MoU if we are unable to include the capacity of such warehouses under the RSWC MoU.

Further, our Company has witnessed litigations in relation to the RSWC MoU, including the instances specified below. Furthermore, on several occasions in the past RSWC MoU has been subject to scrutiny and questioning in the legislative assembly of State of Rajasthan and in certain cases has also been challenged by various parties before several government authorities on certain grounds, including some of the grounds mentioned in the below specified litigations. If the RSWC MoU is challenged before a court or any other fora and an unfavourable order or resolution is passed, it could adversely affect our business, reputation, financial condition and results of operations.

Mr. Kailash Dan Charan, an accounts manager of FCI, initiated a public interest litigation through a writ petition dated October 19, 2014 before the Rajasthan High Court at Jaipur against the chairman and managing director of FCI, the executive director of FCI; the general manager of FCI, the chairman of RSWC, and the principal secretary, Food Department, Government of Rajasthan, alleging, amongst other things, criminal collusion in the manner in which FCI allotted purchase mandis to RSWC (for undertaking procurement activities on behalf of FCI from such mandis), that the RSWC intends to pass on its control to our Company, that RSWC/ our Company entered into agreements to procure wheat from farmers in other states and were profiting from them whereas the farmers of Hanumangarh-Sriganganagar in Rajasthan are unable to sell their produce to FCI due to the nefarious and corrupt practices of RSWC, that the RSWC colluded with our Company in awarding contracts to persons to act as handling and transporting agents for wheat procurement without following a bid system, that wheat being procured at exorbitant rates by RSWC/ our Company, and the RSWC being reimbursed by the FCI was resulting in the exchequer being burdened and public money being squandered. The reliefs sought by the petitioner include, inter-alia, the review of the distribution of wheat procurement mandis among purchase agencies in Rajasthan, and to order an investigation into the alleged corruption involved in distribution of purchase mandis to RSWC and our Company. Furthermore, the petitioner has requested the Court to pass an interim order directing the

CID/CB to investigate into the said matter and take necessary action against defaulters found guilty and to direct the FCI to not allot mandis arbitrarily. The matter is currently pending and the next date of hearing before the Rajasthan High Court is currently not available with us. An adverse order in this case could impact the subsistence of the RSWC MoU, which could, in turn, adversely affect our business, reputation, financial condition and results of operations.

Mr. K.C. Gupta filed an RTI application dated December 24, 2010 before the Public Information Officer of RSWC requesting for certain information in relation to RSWC and our Company. The information sought by the applicant included, *inter-alia*, operating business information pertaining to the MoU with RSWC, our Company's balance sheet, constitution, moveable and immoveable properties, total and authorized share capital, names of our Company's directors and their father's names, whether RSWC took legal or auditors' opinion as to whether it can enter into a business partnership with a private company, the details of certain charges paid by RSWC to our Company and of certain investments made by our Company in the warehouses of RSWC. RSWC in its letter dated January 25, 2011 sought our Company's permission in disclosing information pertaining to us. Our Company through its letter dated February 2, 2011 stated that if the information pertaining to it was disclosed its dealers, trade secrets, internal confidential information, and the clients' trust would be reduced. Subsequently, the said applicant filed an appeal before the First Appellate Authority which passed an order dated April 6, 2011 directing information in relation to RSWC and our Company to be provided to the said applicant. Aggrieved by this order passed by the First Appellate Authority, our Company filed an appeal dated July 1, 2011 before the Chief Information Commissioner challenging the same. However, since the office of the Commissioner was vacant, our Company filed a writ petition dated July 16, 2011 before the Rajasthan High Court. The High Court, pursuant to its order dated July 20, 2011 has stayed the operation of the order passed by the First Appellate Authority. The next date of hearing before the Rajasthan High Court is July 8, 2015 and before the Chief Information Commissioner is April 8, 2015. An adverse order in this case could impact the subsistence of the RSWC MoU, which could, in turn, adversely affect our business, reputation, financial condition and results of operations.

For further details regarding litigations and other complaints pertaining to the RSWC MoU, please see the section titled '*Outstanding Litigation and Material Developments*' on page 336.

Moreover, if our competitors enter into a similar PPP with the RSWC or any other government agency, it will compromise our market share and could adversely impact our business and financial condition.

2. ***We experience certain concentration in relation to our trading activities. For our cross-border trading activities, we significantly rely on our key trading customers and suppliers, who are affiliated to the promoters of our Corporate Promoter. Further, the volume or value of transactions in our domestic trading activities, is significantly concentrated amongst a few customers in a given Fiscal. Any discontinuation of our arrangement with these trading customers and suppliers or any failure on their part to fulfil their obligations will have an impact on our business and operations***

A significant portion of our cross-border trades in relation to our commodities procurement, primary processing and trading activities, is undertaken through our key trading customers and suppliers, Amparo UAE General Trading LLC ("**Amparo**") and Amiti Overseas DMCC ("**Amiti**"), who are based in the United Arab Emirates. These trading customers and suppliers deal with the end counter-party buyers or sellers (as the case may be) and absorbs all related counter-party risks. Thus, we are significantly dependent on these key trading customers and suppliers for our cross-border trades. These entities are affiliated to the promoters of our Corporate Promoter. For further details in relation to Amparo and Amiti, including financial details of our trades with Amparo and Amiti, please see the section titled "*Our Business*" on page 153.

Further, we have also undertaken certain trades in the past with Argos International Marketing Private Limited ("**Argos**"), an entity that is affiliated to the promoters of our Corporate Promoter. While we have not undertaken any agri-commodities related trades with Argos since December 2012, we cannot assure you that we will not undertake such transactions with Argos in future and if we transact with them it will be on economically attractive terms.

Furthermore, most of our domestic trades are carried out on a 'B-to-B' basis, and the volume or value of our transactions with the top few customers in a given Fiscal is significant. However, the top few customers will vary from one Fiscal to another. Thus we are majorly dependent on a few customers in each Fiscal in relation to our domestic trades.

We may continue to remain dependent upon these customers and suppliers for a substantial portion of our revenues and supplies. In such an event, our failure to retain one or more of these customers and/or suppliers will have an adverse effect on our financial performance and results of operations.

We cannot assure you that we will be able to continue such arrangements or transactions with the above described customers and suppliers on economically attractive terms or at all or that these customers and suppliers will comply with the terms of the contracts that our Company has entered or will enter into with them. Further, our reliance on a limited group of customers and suppliers may also constrain our ability to negotiate agreements with them, which may have an impact on our profit margins and financial performance. Our Company's results of operations could be adversely affected in these circumstances.

3. ***Conflicts of interest may arise out of common business objects presently or which may in the future be shared by our Company and certain of our Directors, Promoters, Group Entities, members within the Promoter Group and/or the affiliates of our Promoters and their promoter group. There can be no assurance that such Group Entities and/or members within the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with our interest.***

Although we presently do not face competition from or have any conflicting interests with our Directors, Promoters, Group Entities and/or members of the Promoter Group, there can be no assurance that our Directors, Promoters, Group Entities and/or members of the Promoter Group will not provide comparable services, expand their presence or acquire interests in competing ventures (in the locations in which we operate or otherwise) in the future.

Some of the affiliates of our Promoters, Group Entities and/or Promoter Group ("**Extended Affiliates**"), are or could offer goods and services that are related to our existing or future businesses, which could lead to conflicts of interest.

Further, our Extended Affiliates may be engaged in competing businesses and may continue to do so in the future, on account of which, the level of competition from them may increase.

As a result, a conflict of interest may occur between our business and the business of our Directors, Promoters, Group Entities, members of the Promoter Group and/or Extended Affiliates, which could have an adverse effect on our operations and financial results. In addition, new business opportunities may be directed to the Extended Affiliates and/or our Promoters, Promoter Group and our Group Entities, instead of us, leading to potential loss of business and revenues.

Further, there may be conflicts of interest in addressing business opportunities and strategies, where other companies in which our Promoters, Promoter Group, Group Entities have equity interests are also involved. In addition, new business opportunities may be directed to these affiliated companies instead of us leading to loss of our business and revenues.

4. ***There are various litigations involving our Company, our Directors, our Promoters, our Subsidiary and/or our Group Entities.***

There are various litigations outstanding involving our Company, our Directors, our Promoters, our Subsidiary and/ or our Group Entities. These legal proceedings are pending at different levels of adjudication before various *fora*. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Should any new developments arise, such as development of new facts or any rulings

against our Company by the original side or appellate courts or tribunals, our Company may need to make provisions in its financial statements that could increase expenses and current liabilities. Any adverse decision may have an adverse effect on our Company's business, results of operations and financial condition.

Brief details regarding outstanding litigations against our Company as of the date of this Draft Red Herring Prospectus is as follows:

Nature and Number of Pending Proceedings against our Company					
Civil	Tax (direct and indirect)	Frauds	Notices (including search operations)	Other litigations likely to affect the operations and finance of the Company or have a material adverse effect on the position of the Company	Monetary claim, if any, to the extent ascertainable (in ₹ million)
6	8	1	9	2	~126.43*

*(A) This amount includes ₹ 52.05 million (as per the notes on contingent liabilities in the Restated Financial Statements) in relation to two appeals dated April 29, 2013 and April 24, 2014 filed by our Company before the CIT (Appeals), Gandhinagar. Whilst the entire tax liability in relation to these cases is being contested by the Company, the tax which remains to be paid by our Company is ₹ 9.34 million (as per the demand note raised by the assessing officer in one of these cases).

(B) This amount includes ₹ 8.4 million in relation to the matter pertaining to the sealing of the premises of our Company situated at Delhi-NCR by the Assistant Commissioner, Department of Trade and Taxes, New Delhi through its order dated December 11, 2014 (under the Delhi Value Added Tax Act, 2004), notwithstanding the fact that the outstanding liability of VAT has not yet been ascertained. This amount of ₹ 8.4 million comprises of a bank guarantee of ₹ 4.2 million and ₹ 4.2 million deposited with the tax authorities as advance VAT which could be adjusted against tax liability accruing in the future.

Note 1: Foreign currency denominated amounts are converted into ₹ at the (end of day) exchange rate on February 11, 2015 (i.e. 1 USD = ₹ 62.42)

Note 2: Minor discrepancies in amounts specified in this table and the section titled "Outstanding Litigation and Material Developments" may be due to rounding off.

Note 3: Penalties which have been imposed previously or litigations which have been settled have not been included in this table.

Brief details regarding outstanding litigations against our Promoters and Directors as of the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the Director / Promoter	Nature and Number of Pending Proceedings (including Notices) against our Directors and Promoters						Monetary claim, if any, to the extent ascertainable (in ₹ million)
		Criminal [^]	Tax ^{^^}	Civil	Proceedings before Labour Fora	Companies Act	Others ^{^^}	
1.	Mr. Ramalingam Ramaseshan	N.A.	N.A.	N.A.	N.A.	3	N.A.	N.A.
2.	Mr. Kamal Jain	N.A.	1	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Mr. Aditya Bafna	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Mr. Shubendra Kumar Bafna	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Manish Mohnot	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6.	Kalpataru Power Transmission Limited	N.A.	48	34*	17	1	9	~2,554.43**

^ Excludes motor vehicle accident related cases.

^^ Includes domestic direct and indirect tax cases, and tax cases in foreign jurisdictions.

^^^ Includes arbitrations, stamp duty related cases, property tax related cases, notices against group entities and motor vehicle accident related cases.

* This may include certain labour related disputes before a civil court, including in foreign jurisdictions.

** (A) With respect to cases classified as domestic direct tax matters, for certain cases, the amount considered is based on the contingent liability reported in the balance sheet.

(B) With respect to cases classified as domestic indirect tax matters, for certain cases, the amount considered is the pending amount which remains outstanding and payable.

Note 1: Foreign currency denominated amounts are converted into ` at the (end of day) exchange rate on February 11, 2015 (i.e. 1 USD = ` 62.42, 1 Algerian Dinar = ` 0.66, 1 Ethiopian Birr = ` 3.02, 1 Kenyan Shilling = ` 0.68, 1 Philippine Peso = ` 1.40, 1 Euro = ` 70.54)

Note 2: Minor discrepancies in amounts specified in this table and the section titled “Outstanding Litigation and Material Developments” may be due to rounding off.

Note 3: Penalties which have been imposed previously or litigations which have been settled have not been included in this table.

Brief details regarding outstanding litigations against our Group Entities as of the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the Group Entity	Nature and Number of Pending Proceedings against our Group Entities					
		Tax	Labour	Civil^	Arbitration	Notices	Monetary claim, if any, to the extent ascertainable (in ₹ million)
1.	JMC Projects (India) Limited	35	3	16*		4	~1,915.69**
2.	Energylink (India) Limited	1	N.A.	N.A.	N.A.	N.A.	~0.54
3.	Jhajjar KT Transco Private Limited	N.A.	N.A.	6	N.A.	N.A.	~208.32
5.	Zangas – KPTL Consortium I	2	N.A.	N.A.	N.A.	N.A.	~5.11***
6.	Zangas – KPTL Consortium II	1	N.A.	N.A.	N.A.	N.A.	~0.29
7.	Zangas – KPTL Consortium (VDPL)	3	N.A.	N.A.	N.A.	N.A.	~4.24

^ Includes motor vehicle accident related cases.

* Includes certain cases, which may have been initiated by the company but in which an appeal (or other follow-on proceeding) has been filed against the company in relation to the order or award passed in the original side proceedings.

** (A) No amount has been considered for cases, which may have been initiated by the company but in which an appeal (or other follow-on proceeding) has been filed against the company in relation to the order or award passed in the original side proceedings.

(B) Amount for recurring penalty (at ₹ 200 per day) has not been considered in relation to four service tax related cases.

(C) With respect to certain tax cases, the amount considered is based on the contingent liability reported in the balance sheet.

(D) With respect to certain tax cases, the amount considered is the pending amount which remains outstanding and payable.

(E) With respect to a notice dated March 26, 2013 that has been received by the company, the amount claimed (at ₹ 2,000 per day of the alleged contravention with effect from August 26, 2013) has not been considered.

*** This amount is the estimated tax liability in relation to two sales tax matters.

Note 1: Foreign currency denominated amounts are converted into ` at the (end of day) exchange rate on February 11, 2015 (i.e. 1 USD = ` 62.42, 1 Algerian Dinar = ` 0.66, 1 Ethiopian Birr= ` 3.02, 1 Kenyan Shilling= ` 0.68, 1 Philippine Peso= ` 1.40, 1 Euro = ` 70.54)

Note 2: Minor discrepancies in amounts specified in this table and the section titled “Outstanding Litigation and Material Developments” may be due to rounding off.

Note 3: Penalties which have been imposed previously or litigations which have been settled have not been included in this table.

Further, the Company may not be put to notice or otherwise be aware of all enquiries, investigations, show cause notices, litigations or other disputes initiated against the Company, its Directors, Promoters, Subsidiary and/or Group Entities.

For further details of the litigations pending against our Company, our Director, our Promoters and our Group Entities, please see the section titled “Outstanding Litigation and Material Developments” on page 336.

5. ***We intend to utilize a portion of the Net Proceeds of the Fresh Issue to set up warehouses. However, we have not, as of the date of this Draft Red Herring Prospectus, identified the land required for setting-up warehouses. A failure to implement our growth strategies, which may adversely affect our business prospects.***

We intend to utilize a portion of our Net Proceeds of the Fresh Issue to, *inter-alia*, part financing the Project Cost of establishing new warehouses. For details, please see the section titled “Objects of the Offer” on page 105. As of the date of this Draft Red Herring Prospectus, we have not identified or acquired any land in relation to these warehouses.

We cannot assure you that we will be able to identify contiguous parcels of adequate land at suitable locations, obtain related approvals or that land acquisition will be completed in a timely manner, on terms that are commercially acceptable to us, or at all, which may result in time and cost overruns and consequently have an adverse effect on our growth, business and results of operations.

6. ***Our Company has recently acquired a non-banking financial company (NBFC), Punarvasu Holding and Trading Company Private Limited (PHTCPL). Prior to the acquisition of PHTCPL, our Company had no operating history of, and our existing key management personnel have limited experience in managing an NBFC.***

Our Company has recently acquired PHTCPL, an NBFC registered with the RBI, which is now a wholly owned subsidiary of the Company. The object of acquiring PHTCPL is to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses and other warehouses as decided by PHTCPL, the quality of which will be tested and certified at our in-house laboratories or laboratories approved by PHTCPL. A part of the Net Proceeds from the Fresh Issue will be utilized for infusing equity capital into PHTCPL. For more details on the utilization of the Net

Proceeds from the Fresh Issue, please see the section titled '*Objects of the Offer*' on page 105.

Moreover, prior to the acquisition of PHTCPL, our Company had no operating history of, and our existing key management personnel have limited experience in, managing an NBFC. While we do undertake collateral management and funding facilitation activities, we may not have adequate experience of managing the funding activities being undertaken through PHTCPL, which may place significant demands on our management and other resources and may pose new business and financial challenges, which may entail substantial senior level management time and other resources. In addition, we face the following risks:

- Given our senior management has limited experience in financial services, as an NBFC, attracting and retaining talented professionals is a key element of our business strategy. An inability to attract and retain talented professionals or the resignation or loss of key management personnel may have an adverse impact on our business and future financial performance.
- Given that we have no operating history in managing a NBFC, we may face significant challenges in understanding the NBFC business and developing and institutionalizing our procedures and policies for our funding business. We may have to formulate suitable internal processes for managing the volumes of transactions that we would expect after our funding business is established. As an NBFC, our operations would require extensive monitoring, strict compliance with know-your-customer (KYC) requirements and prudent risk management. Our growth plans will place significant demands on our operational, credit, financial and other internal risk controls, making our management of asset quality increasingly important.
- Our product offerings will change significantly as compared to our offerings in terms of our existing collateral management and funding facilitation activities. Our ability to compete successfully in the funding business of PHTCPL in an integrated manner will depend on our ability to create value propositions to attract and retain customers and cross-sell our other services to them, and on our ability to anticipate and fulfill the needs of customers in target markets.
- We will need to constantly upgrade our security systems to protect our network infrastructure from security breaches and other disruptive problems for safe and secure service offerings. Although we intend to implement technology driven security measures and establish operational procedures to prevent such breaches, damage and failures, there can be no assurance that these security measures will be successful. A significant failure in security measures could have a material adverse effect on our business and our future financial performance.

While we intend to continue to grow and expand the business of PHTCPL, our growth plans may place significant demands on our operational, credit, financial and other internal risk controls and on our management, and may pose new business and financial challenges, which may entail substantial senior level management time and resources and put significant demands on our management team and other resources.

Accordingly, we will be subject to all the business risks and uncertainties associated with managing the business of PHTCPL, which may adversely affect our business, results of operations, financial condition and prospects. Further, as we grow and diversify the business of PHTCPL, we may not be able to implement, manage or execute our strategy efficiently in a timely manner or at all.

Further, our financial statements for historic periods should not be considered indicative of our financial position for any future periods, subsequent to acquisition of PHTCPL. Accordingly, it will be difficult to evaluate our business prospects as prior to the acquisition of PHTCPL, we have no operating history with respect to managing a NBFC, and our past performance will not be indicative of our future results of operations or financial condition for our NBFC activities.

Furthermore, PHTCPL's ability to pay dividend to our Company in the future will depend on its future earnings, financial condition, cash flows and capital expenditure and there is no assurance that PHTCPL

will be able to pay dividends to our Company in the future.

7. ***A significant portion of our revenue results from our commodities procurement, primary processing & trading activities, which is exposed to, amongst others, risks in relation to volatility of prices of the agri-commodities, customer concentration, and foreign exchange. Further, our cross-border commodities procurement, primary processing & trading activities are exposed to certain additional risks.***

We believe our Company has developed an understanding in certain agri-commodities over the years. Accordingly, we leverage our warehousing network with our 'on ground' presence, last mile access, understanding of certain agri-commodities & their demand-supply dynamics and relations with market participants to undertake domestic and international trading activities in connection with our captive primary processing activities or as and when suitable market opportunities arise.

During Fiscal 2014 and the six month period ended on September 30, 2014, ₹ 3,045.63 million and ₹ 898.05 million (constituting 80.58% and 64.18%) respectively, of our total revenue for the same period was derived from our commodities procurement, primary processing and trading activities. In a manner consistent with the prescribed accounting standards, the entire value of our trading and processing transaction is passed through as revenue in our books of accounts.

In connection with our commodities procurement, primary processing & trading activities, we are exposed to risks in relation to, amongst others, volatility in the prices of agri-commodities, default by the counter-party (including in relation to payment of credit, and delivery or acceptance of goods, as the case may be, which could also result in additional demurrage costs), customer concentration, and foreign exchange (to the extent the activities are cross-border in nature). In this regard, our Company may not be able to accurately predict the price movement of agri-commodities and our hedging agreements (if any, including in relation to foreign exchange) may not provide us with adequate protection. Further, our trading positions may compel us to hold physicals stocks for a long duration, during which time the stocks may deteriorate in quality and lose value. Further, our cross-border trades are subject to customs duty; and any change in the import duty rates in relation to the goods being imported by us could affect our margins. Furthermore, our Company has been granted a 'star export house' certificate, which gives us a reputational advantage and also allows us to reduce the documentation procedures for our exports. Any failure to maintain our 'star export house' certificate may result in additional compliance and losses due to these benefits being unavailable.

Further, trading in agri-commodities in India is subject to prescribed standards. Moreover, if agri-commodities are to be exported to certain countries, the stocks exported in relation thereto should adhere to the specified quality and be processed at facilities, which satisfy the applicable standards. These standards may change from time to time. Moreover, we may also be open to public liability, particularly in international markets, from the end consumer for defects in the quality of the product.

Thus, our trading activity may result in a loss of a part or all of our investment, which may adversely impact our financial performance, notwithstanding the risk management measures implemented by us. For details on the risk management measures implemented by us, please see the section titled "Our Business" on page 153.

8. ***Our warehouses services are concentrated in the state of Rajasthan. Further, six commodities account for a majority of the goods stored by us. If revenues from these sources decline, our business, results of operations and financial condition would be adversely affected.***

We have a geographic presence across various locations in the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, and our warehousing services can cater to several agri-commodities.

However, as on November 30, 2014, 119 of our 149 warehouses are located in Rajasthan, which represents 6.59 million sq. ft. (or 70.21%) of our total storage capacity in terms of storable floor plate area.

Further, the following six commodities, viz. wheat, groundnut, castor seed, bengal gram, coriander and

cumin seed, account for a majority of the goods stored by us (in terms of value thereof declared to our insurers in relation to the insurance cover maintained by our Company) across all our 149 warehouses as of November 30, 2014.

Thus, we are heavily dependent on these sources for our income from operations. If our revenues from these sources decline, it may adversely affect our business, results of operations and financial condition.

9. *Our Company, Corporate Promoter and/or certain Group Entities have unsecured loans that may be recalled by the lenders at any time.*

Our Company, Corporate Promoter and/or certain Group Entities have availed unsecured loans which may be recalled by their respective lenders at any time. In the event that any lender seeks the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

10. *There are several risks related to our indebtedness. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business. Further, our finance costs towards servicing our indebtedness forms a significant component of our expenses. Moreover, we cannot assure you that we will be able to raise additional finances in the future or that our existing debts will not be re-called. If we are unable to raise debt or if our existing debts are re-called, it could have an adverse effect on our business and results of operations.*

Our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions.

In particular, we must seek and obtain, prior written permission of one or more lenders to, amongst others,; alter our capital structure in any manner; reduce or dilute the shareholding of our Corporate Promoter (KPTL) in our Company; undertake creation of subsidiaries or permit any company to become our subsidiary; create any further charge, lien or encumbrance on hypothecated assets or any part thereof; undertake any projects or implement any scheme of expansion or acquire fixed assets except those projected in the submitted to the banks. Under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios and credit rating at all times. Further, one of our Promoters, KPTL, has undertaken to certain lenders not to reduce its shareholding in the equity share capital of our Company below 51%.

Any or all of these restrictive covenants may restrict our ability to conduct business and may adversely affect cash flows, our results of operations and financial condition. We cannot assure you that we will be able to obtain the required consent from our lenders to undertake any of the restricted activities in a timely manner or at all, or comply with such covenants or other covenants in the future.

Further, these secured debt obligations are typically secured by a combination of security interests over our assets and hypothecation of movables and future receivables. In the event of our default our lenders may enforce the security, and in certain cases convert outstanding debt into equity, or exercise their other rights. These factors could adversely affect our business, financial condition and results of operations.

Further, our finance cost for Fiscal 2014 and the six months period ended September 30, 2014 was ₹ 257.28 million and ₹157.10 million, which constitutes 6.81% and 11.23%, respectively, of our total revenue for the same period. If we incur more debt or if there is an increase in the applicable interest rates for our existing debt, or a fall in our credit rating, our interest payment obligations will increase and we may become subject to additional conditions from lenders, including additional restrictions on the operation of our business.

We cannot assure you that we will be able to raise additional financing on favourable terms, or at all. Moreover, the financing agreements that we are party to, or which we may enter into in the future, may be recalled at any time or unilaterally terminated by our lenders or the lenders could decline to further lend to us under such agreements. Further a prepayment of a loan to one of our lenders may trigger a repayment /

pre-payment requirement with our other lenders. Further, our prospective lenders may require that our Promoter, KPTL, should hold 51% of the equity share capital of our Company, which will be subject to the discretion of KPTL. Any failure to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, could have an adverse effect on our business, financial condition and results of operations.

In addition to the security provided by our Company, certain of these loans are conditional upon the personal guarantees from certain of our Promoters. In the event our Promoters do not or are unable to extend the necessary guarantees and if we are unable to furnish a guarantee to our lenders' satisfaction, our ability to maintain existing debt and interest rates and/or raise and maintain future debt could be adversely impacted.

If we are unable to raise debt or if our existing debts are re-called at any time or if repayment is accelerated, we may not be able to meet our financing requirements for our ongoing operations or expansion plans, which could have an adverse effect on our business and results of operations. For further details on the Company's indebtedness, please see the section titled '*Financial Indebtedness*' on page 317.

11. *We may not be able to effectively implement our business and growth strategies, which may adversely affect our business prospects.*

Our success depends on, amongst other things, our ability to effectively implement our business and growth strategies. We believe that a timely increase in the number of warehouses and other units (including in relation to our testing & certification services and commodities procurement, primary processing & trading activities) ("**Other Units**") will provide us with the anticipated benefits in terms of growth and profitability, however we cannot assure you that we will be able to execute our strategies in a timely manner or within budgeted estimates or at all or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness.

As part of our business strategy, we propose, amongst other things, to increase the number of our warehouses and Other Units. There can be no assurance that we will be able to set up Owned Warehouses and Other Units as per our business plan or at all, which could adversely affect our business, financial conditions and results of operations. Further, we may not be successful in entering into fresh arrangements or renew our existing arrangements with respect to our Hired Warehouses and PPP Warehouses. Moreover, we may abandon an expansion project (subject to applicable law) before or after its commencement.

Any failure to establish warehouses and Other Units on time, or at all, could materially impact our ability to achieve our business plan, growth strategies and future financial performance. Further, the warehouse(s) and Other Unit(s) we establish may not achieve anticipated levels of revenues and profitability. The occurrence of any such event and/or any inability to manage our business and growth strategies could adversely affect our business, financial condition, and results of operations.

12. *We are reliant on our key management personnel and persons with specialized technical know-how. Failure to retain or replace them or any material change in management will adversely affect our business.*

In order to successfully manage and expand our business, we are dependent on the services of key management personnel, and our ability to attract, train, motivate and retain skilled employees, including technicians and other professionals. In addition, our business is technical in nature and requires personnel with specialized knowledge and skill-sets in the field of our operations, which may not be easily available, as and when required by the Company. If there is any material change in our management or if we are unable to hire additional personnel or retain existing qualified personnel or do not find adequate replacements in a timely manner, our operations and ability to expand our business may be impaired, and our revenues may decline.

13. *We may not be able to scale up our management bandwidth in line with our growth.*

We have limited experience in managing our warehousing services and other businesses at our present and proposed scale of operations. Since our Company's incorporation we have witnessed growth in our warehousing services in terms of the number of warehouses as well as the storage capacity managed and operated by us. As on March 31, 2007, we managed and operated five warehouses, which has grown to 149 warehouses as on November 30, 2014. Similarly, our total storage capacity has grown from 163,870 sq. ft. in terms of floor plate area as on March 31, 2007 to around 9.39 million sq. ft. in terms of floor plate area as on November 30, 2014.

While we intend to continue to grow and expand our business, our growth plans may place significant demands on our management and may pose new business and financial challenges, which may entail substantial senior level management time and resources and put significant demands on our management team and other resources. Further, as management personnel with the requisite expertise may not be easily available for the industry(ies) in which we operate, we may not be able to attract additional management personnel, which situation could be exacerbated if we are unable to retain our existing management personnel. For further details, please refer to the section titled "*Risk Factors - We are reliant on our key management personnel and persons with specialized technical know-how. Failure to retain or replace them or any material change in management will adversely affect our business*" on page 27.

Accordingly, we will be subject to all the business risks and uncertainties associated with managing our warehousing services and other businesses at our present and proposed scale of operations, which may adversely affect our business, results of operations, financial condition and prospects. Further, as we grow and diversify, we may not be able to implement, manage or execute our strategy efficiently in a timely manner or at all, on account of which, we cannot assure you that we will not make losses or be able to sustain our past performance, results of operations and financial condition.

14. *Our Company's operations and plans for development are dependent upon the utilization levels of our storage capacity. The utilization level of our storage capacity is dependent upon, amongst others, the availability of agri-commodities. Sub-optimal utilization of our storage capacity can adversely affect our Company's business, results of operation, financial condition and prospects.*

Our Company's business is to provide warehousing services and undertake other related activities in relation to agri-commodities based on our integrated business model. Our Company's business, results of operation, financial condition and prospects is dependent upon the optimum utilization of our storage capacity. In the absence of business opportunities and warehousing demand, we may need to cease operations at our warehouses, including termination of our arrangements in relation to our PPP Warehouses and Hired Warehouses.

Utilization level of our storage capacity is dependent upon numerous factors including the production and consumption levels of agri-commodities, other macro-economic factors, government policies, demand for warehousing services in the location, where are warehouses are situated, quality of our services, profile of customers, our credit rating, etc.

Further, if any sanctions or limits are imposed by the government or commodities exchanges on trading activity in agri-commodities, including any holding limits, or any other factors, which limits such trading activities, it could have a material adverse impact on the availability of agri-commodities for our business.

Moreover, if we are unable to properly preserve and maintain the goods stored in our warehouses and provide quality services to our customers, as a result of which the quality and quantity of the products that are warehoused is compromised, we could be in breach of our contractual obligations to our customers which could lead to, amongst others, monetary and reputational damage.

The computation of storage capacity of a warehouse and utilization level thereof can vary depending upon, amongst other factors, the mix of commodities stored, the size of the warehouse, the infrastructure

available and the formulae used for calculation.

Our Company cannot assure that we will be able to maintain the current levels of profitability if there is any disruption in agricultural output or lack of demand for our warehousing services. Any failure to cope adequately with such disruption or lack of demand would have an adverse effect on our Company's business, results of operations and financial condition. We do not maintain any insurance cover for loss of profits.

- 15. *Our business is seasonal in nature as it is dependent on the availability of agri-commodities, which in turn is impacted by several factors including weather condition. Poor weather conditions could result in unavailability of agri-commodities, which could adversely affect our business, financial condition and results of operations.***

Utilization level of our storage capacity and our other services is dependent upon numerous factors including the production and consumption levels of agri-commodities. Production of agri-commodities is linked to various factors, including the weather conditions and natural disasters, change in cropping pattern, and fertility of land and other factors beyond the control of our Company. There is also the possibility that farmers currently growing agri-commodities may shift their efforts toward the production of other crops that we may not deal in or are not profitable for our services. To this extent our business is seasonal in nature. Poor weather conditions, amongst other such factors, could result in unavailability of agri-commodities for our business, which could adversely affect our business, financial condition and results of operations.

- 16. *Any error in our weighment, testing & certification and pest management services, could have a cascading effect on our business operations.***

Our weighment, testing & certification and pest management services enables us to determine the quantity and quality of and better preserve and maintain the agri-commodities we deal in across our various activities. Failure to correctly provide these services, including to report the results, and/or failure of the equipment involved in relation to these services, including any malfunction on account of irregular maintenance or otherwise, can adversely impact our business and financial condition.

Any error beyond the acceptable margin of error could result in a loss owing to several reasons, which may include: (a) loss of business from customers, (b) dispute with a customer over the exact nature and quantity of the goods deposited by that customer or deterioration of the quality of the goods, (c) inadequate collateral security being obtained in relation to collateral management and funding facilitation activities. Any such error in our weighment, testing & certification and pest management services (and equipment in relation thereto) could have an adverse impact on our business, financial condition, reputation and results of operations.

- 17. *Potential litigations and their outcome in relation to the parcels of land from which we manage and operate our warehouses or Other Units, and other matters related thereto, including the non-registration of the land in the name of our Company, could affect our Company's business, results of operations and financial condition.***

If the title, ownership or possession of the land from which we manage and operate warehouses or Other Units (or other matters in relation thereto, including the permitted use of the land, construction activity carried out and environmental issues) is disputed and any adverse order is passed against us in relation to such disputes, we may, amongst others, have to shut down operations at and/or relocate from such location, while being required to bear labour and other costs, which could affect our Company's business, results of operations and financial condition.

In certain cases we may not have specific permission for utilizing the land owned by us for the purpose it is being used for. While we are materially compliant in relation to obtaining the necessary approvals with respect to our operations; however, there could be certain technical non-compliance with respect to the end-use of our land.

In certain cases the land being utilized by our Company is not registered in the name of our Company or our Company does not have perfect title thereto. For example, registration is pending in relation to land parcels at Oon Mandi, Bikaner, Rajasthan.

In the past, we have faced instances of disputes relating to land utilized by our Company, including adverse orders having been passed against our Company. Certain instances in this regard are specified below. If the utilization of land by our Company is challenged in court and an order is passed, which is not favourable to us, it could adversely affect our business, reputation, financial condition and results of operations.

Our Company has filed a writ petition before the Rajasthan High Court against the Board of Revenue, Revenue Appellate Authority, the Sub-Divisional Officer, Ramgarh, and others, challenging orders dated April 1, 2009, August 20, 2008 and February 5, 2008, pursuant to which the revenue authorities invalidated the transfer of land measuring 1.895 hectares situated at Ramgarh district Alwar, to our Company, alleging contravention of the Rajasthan Land Revenue (Conversion of Agricultural land for Non- Agricultural Purposes in Rural Areas) Act, 1992. The High Court through its interim order dated May 11, 2009 granted an interim stay against the operation of the challenged orders. The matter is currently pending.

Further, an application has been filed before the Sub-Divisional Officer, Ramganjmandi, Kota district under Section 136 of the Rajasthan Land Revenue Act to correct the entry in the revenue records in relation to the ownership of land bearing Khasra numbers 63 and 64, situated at Ramganjmandi, Kota district, Rajasthan. Our Company has been made a party to this application as it owns a part of the land at Khasra number 63. The matter is currently pending.

Further, our Company had made an application to the Rajasthan State Agriculture Marketing Board, Jaipur for allotment of land situated at Lalgahar Jatan, Sadulsahar Tehsil, Sri Ganganagar mandal, measuring 8,000 sq. mt. Our Company was allotted the land for ₹ 5,566 per sq. mt. Our Company has filed a writ petition before the Rajasthan High Court against the State of Rajasthan and others in relation to the rate at which the land is to be allotted. The High Court has passed a stay order in favour of our Company. The matter is currently pending.

Pratap Singh and others had filed a case against Gurbaksh Singh and Sarpanch, Gram Panchayat before Sub-Divisional Officer, Bikaner pursuant to revenue appeal number 54/2008 in relation to legality of transfer of certain land parcels through a transfer document executed in the year 1964. Certain land parcels out of the land parcels being subject matter of the appeal was acquired by our Company from Gurbaksh Singh in the year 2007. The Sub-Divisional Officer has through its letter dated October 20, 2010 quashed the revenue appeal. We understand there is an appeal filed before the Divisional Commissioner, Bikaner by Pratap Singh and/or others against Gurbaksh Singh and Sarpanch, Gram Panchayat. However, we have not yet received any legal notice in relation to this matter nor has our Company been made a party to the legal proceedings in this matter.

For further details, please see the section titled '*Outstanding Litigation and Material Developments*' on page 336.

18. *We are yet to receive certain regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals, may adversely affect our business and results of operations.*

We require various approvals, licenses, registrations and permits to conduct our business and operations. Some of the material approvals, licenses, registrations and permits are in respect of warehousing laws, food and safety standards, environmental laws, laws in relation to registrations of factories and shops and establishments, export-import of goods and otherwise in relation to our trading activities. Further, the approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to receive or apply for several approvals, licenses, registrations and permits. We cannot assure you that we will apply for and receive these approvals and clearances in time or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could adversely affect our related operations. For instances, we are still to obtain a no objection certificate from the concerned pollution control board with respect to certain of our warehouses. Further, we may be in technical non-compliance with respect to some of our ancillary services. Failure by us to renew, maintain or obtain the required approvals, licenses, registrations or permits in a timely manner or at all, it may have an adverse impact on our business, results of operations and financial performance. For further details regarding the approvals, licenses, registrations and permits, which have not been obtained by our Company or are pending renewal, please see the section titled ‘Government and Other Approvals’ on page 376.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business and results of operations.

19. *The activities in certain countries that are the subject of United States and European Union sanctions of the Company could result in the possible imposition of sanctions, negative media and investor attention, and could materially and adversely affect an investment in the Shares.*

The United States, and from time to time other jurisdictions, including the European Union, has laws that may prohibit or restrict its citizens from engaging in certain business activities in certain countries, or that otherwise impose economic sanctions on such countries. International bodies such as the United Nations may also impose sanctions on certain countries from time to time. The United States currently administers economic sanctions and embargoes that target geographic regions and governments, as well as sanctions programmes aimed at non-governmental entities, such as terrorist organizations and individuals. Countries that are the targets of general, country-wide sanctions programmes include the Crimea region of Ukraine, Cuba, Iran, Sudan and Syria. Other non-comprehensive programmes include, without limitation, those targeting the Western Balkans, Belarus, Cote d’Ivoire, Democratic Republic of the Congo, Iraq, Liberia (Former Regime of Charles Taylor), persons undermining the sovereignty of Lebanon or its democratic processes and institutions, Libya, North Korea, Somalia and Zimbabwe, as well as other programmes targeting individuals and entities located around the world.

The Company conducted, currently conducts or is in the process of entering into business activities such as trading and import and export of certain dry fruits and agri-commodities from or to Sudan, Iran and Syria. In addition, certain payments relating to the Company’s business in these countries were made in US Dollars. These countries are the subject of various United States economic sanctions regimes and European Union restrictive measures. The United States (principally through the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) and the Department of State) and the European Union countries have laws that may prohibit or restrict the Company from engaging in certain business activities in these countries or dealing with certain individuals or entities within such countries or with significant ties to such countries, and violation of such laws may result in the imposition of economic sanctions on the Company.

In relation to these dealings with sanctioned countries, the Company has not been notified that any penalties or other measures will be imposed on it or any of its subsidiaries. No US persons (as defined under the relevant United States sanctions laws) were involved in the Company’s trades with the sanctioned countries.

The Company imports and exports dry fruits and other agri commodities as commercial sales which are facilitated by the Company's key trading vendors / customers in the normal course of business. Some of these goods might be sourced from Iran by the Company’s trading vendors, who are not themselves based in Iran. The Company only imports and exports these goods to countries other than the United States. The

United States sanctions law prohibits import of Iranian-origin goods into the United States and by US persons, but the OFAC has maintained an exception for the sale of food, medicine, and medical devices to Iran. In addition, US sanctions generally do not restrict import from or export to Iran of food products by non-U.S. persons with other countries without passing through the United States, which is the case with the operations of the Company.

Similarly, some dry fruits and other agri commodities the Company imported from its key trading vendors through the normal course of business might be sourced from Syria and Sudan, even though these trading vendors are not based in these two countries. The food imported is not exported to the United States. The goods import restrictions under the United States sanctions law against Syria generally only concern petroleum or petroleum products, and therefore the import of food would generally not constitute violations of the sanctions laws imposed by the United States against Syria. The United States sanctions against Sudan do not generally restrict import from Sudan by non-U.S. persons to non-U.S. countries if such dealings are not connected to the Darfur conflict. Therefore, as the Company does not have any connections to the Darfur conflict, the mere import of Sudanese food by the Company from its distributors, who are non-U.S. persons, to non-U.S. countries is unlikely to result in penalties or risks under United States sanctions laws against the Company.

Also, the Company does not have (nor has it ever had) fixed assets located in Sudan, Iran or Syria. The Company was not directly involved in exporting financial services to the United States through the US Dollar transactions in relation to the trades described above. Nevertheless, if the Company were to be found in violations of relevant US sanctions for such US Dollar transactions, such violation could lead to the imposition of civil or criminal sanctions. The Company cannot predict the interpretation or implementation of government policy at the United States federal, state or local level or any policy by the European Union, the United Nations and other applicable jurisdictions with respect to any past, current or future activities of the Company with sanctioned countries. The Company can provide no assurances that its future business will be free of risk under sanctions implemented by these jurisdictions or that it will conform its business to the expectations and requirements of the United States authorities or the authorities of any other government that do not have jurisdiction over the business but nevertheless assert the right to impose sanctions on an extraterritorial basis. The Company's business and reputation could be adversely affected if the governments of the United States, at the federal, state or local level, the European Union, the United Nations or any other governmental or international authorities were to determine that any of the Company's activities constitutes a violation of sanctions they impose or provides a basis for a sanctions designation of the Company or any of its subsidiaries. In addition, because many sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of the Company's business or result in one or more of its business activities being deemed to have violated sanctions, or being sanctionable.

In addition, some customers or vendors may elect not to do business with the Company due to these contacts with sanctioned countries, or parties therein, which may adversely impact the Company's business and operating results. Also, investors in the Shares may incur reputational or other risk as a result of the Company's dealings with sanctioned persons, entities or countries.

20. ***Our Directors, Promoters and certain members of our Promoter Group and Group Entities have or may have interests in our Company other than for reimbursement of expenses incurred or normal remuneration or benefits. Further, we have in the past entered into related party transactions, including for purchase of land, and may continue to do so in the future. There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

We have entered or may enter into transactions with our Directors, Promoters and certain members of our Promoter Group and Group Entities. For further details in relation to transactions entered into with our Promoters and certain of our Promoter Group and Group Entities, please see the sections titled "*Our Promoters and Promoter Group*", "*Our Group Entities*" and "*Related Party Transactions*" on pages 216, 222 and 235, respectively. For details on related party transactions of our Company, please see Annexure 20 to our Restated Financial Statements, in the section titled "*Financial Statements*" on page 237.

In past we have issued Equity Shares (with or without consideration paid in cash) in Fiscal 2007 and Fiscal 2008 to our Directors and Promoters, Mr. Aditya Bafna and Mr. Shubhendra K. Bafna, and others, as consideration for purchase of certain assets (including immovable property), which were not independently valued, and we cannot assure you that the value of the Equity Shares issued to them were commensurate with the value of the assets purchased.

Further, one of our Promoters, KPTL, has extended loans to our Company from time to time. For further details on the Company's indebtedness, please see the section titled '*Financial Indebtedness*' on page 317. We cannot assure that we will not continue to undertake such financial obligations from our Promoters in the future or that they will not impose restrictive conditions in relation to the amounts that has already been borrowed or is to be borrowed in the future.

Further, we have also purchased certain land located at Netra, Rajasthan from, amongst others, Mr. Shubhendra Kumar Bafna, Shubhendra Kumar Bafna HUF, Ms. Mamta Bafna, Aditya Bafna HUF, Mr. Aditya Bafna, Gyanendra Bafna HUF and Ms. Padma Jain, each of whom are either our Directors, Promoters or form part of our Promoter Group.

While we believe that all such transactions have been conducted on terms, which are not onerous to our Company, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that such transactions will be on terms favourable to the Company or will not result from potential conflicts of interest.

21. *We may incur liability in relation to our existing collateral management and funding facilitation activities with respect to our arrangement with Yes Bank Limited and HDFC Bank Limited, which could have a material adverse effect on our results of operations, cash flows and financial condition.*

Our Company has entered into an 'agreement for provision of independent services as business correspondent' dated December 3, 2014 with Yes Bank Limited (Yes Bank) to act as their business correspondent for facilitating loans to eligible borrowers. Upon an event of default by the borrowers of the loans extended by Yes Bank pursuant to this agreement, Yes Bank is entitled to recall such loans. Upon such a default, Yes Bank is further entitled to require our Company to purchase the stock pledged by the borrower (as collateral security) to Yes Bank (within 24 hours of the default) at a price sufficient to cover the outstanding loan amount. In this regard, our Company has extended a guarantee of up to ₹ 750 million (plus interest) to Yes Bank. In relation to the obligations of our Company under this agreement, amongst others, our Company is liable for any loss to Yes Bank, if any, arising from any dishonest, negligent, criminal, fraudulent act or breach of obligations under the agreement. Our Company has also indemnified Yes Bank for, amongst others, any breach of warranty or obligation of our Company under the agreement. For more details in this regard, please see the section titled '*Our Business*' on page 153.

Further, our Company has another arrangement with HDFC Bank Limited, which was renewed under a 'sanction letter' dated May 13, 2014. Under this arrangement, amongst others, our Company is a service provider for facilitating secured short term loan against secured stock for an aggregate limit of ₹ 1,150 million. In relation to this facility, our Company has provided collateral security worth ₹ 150 million.

If any of our liabilities materializes under these arrangements, it could have a material adverse effect on our results of operations, cash flows and financial condition.

22. *We could be adversely affected by the termination of our accreditation with National Commodities and Derivatives Exchange Limited (NCDEX), or due to a decline in the trading volume or volume of trades culminating in physical delivery of stocks on the NCDEX.*

Our Company is accredited with NCDEX as a warehousing service provider and assayer pursuant to an agreement dated October 26, 2009, as restated by an agreement dated June 12, 2014 ("NCDEX Agreement"). Accordingly, some of our warehouses are eligible to store goods traded on the NCDEX,

and our Central ACL is accredited to undertake assaying activities for such goods. A large volume of the goods stored in our warehouses and certain other of our service offerings are in relation to the goods traded on the NCDEX.

Thus, a decline in the trading volume or volume of trades culminating in physical delivery of stocks, on the NCDEX, or if any sanctions or limits in trading activity on the NCDEX are imposed by any government, it could adversely affect our business, reputation, financial condition and results of operations.

Further, in view of the exclusivity of our accreditation with the NCDEX, we cannot enter into any similar arrangement with any other commodities exchange, which limits our business opportunities with other commodities exchanges. Moreover, our Company has undertaken to NCDEX that it will not use warehouse capacity accredited by the NCDEX for goods not traded on the NCDEX. However, as a market practice and based on the demand for our warehousing services, such accredited space is utilized to store goods not traded on the NCDEX and details of our vacant capacity is reported to the NCDEX, from time to time.

A termination of this accreditation or the NCDEX Agreement or a failure in the operations of the NCDEX could adversely affect our business, reputation, financial condition and results of operations.

23. *Suspension or revocation of registration with the Warehouse Development and Regulatory Authority (WDRA) could adversely impact our business.*

Certain of our warehouses are registered with the WDRA (“WDRA Registered Warehouses”). A registration of our warehouses with the WDRA is a requisite for our accreditation with NCDEX. It further enables us to issue negotiable warehouse receipts (as compared to non-negotiable warehouse receipts, which can be issued even without such an accreditation subject to other local law requirements). A warehouse receipt acknowledges the deposit of goods in a warehouse for storage, and title and ownership thereto. Negotiable warehouse receipts can be easily traded and can be used for availing debt finance with greater creditability. We believe this enhances the value of our collateral management & funding facilitation activities.

Failure to issue negotiable warehouse receipts could force our customers to avail warehousing and consequently other related services from our competitors. Thus, our warehousing services, collateral management and funding facilitation activities and other related activities benefit from our ability to operate our warehouses under a valid WDRA registration and/or to issue negotiable warehouse receipts.

Accordingly, should the registration of our WDRA Registered Warehouses be suspended or revoked or not renewed or granted (in a timely manner or at all) by the WRDA for any reason, such warehouses may lose their accreditation with NCDEX. Further, we will not be able to issue negotiable warehouse receipts in relation to such warehouses. This could have an adverse impact on our business, financial condition, and results of operations.

24. *Our Company has recently acquired a non-banking financial company (NBFC), Punarvasu Holding and Trading Company Private Limited (PHTCPL). As such, PHTCPL is exposed to all standard risks faced by an NBFC in India.*

Our Company has recently acquired PHTCPL, an NBFC registered with the RBI, which is now a wholly owned subsidiary of the Company. The object of acquiring PHTCPL is to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses and other warehouses as decided by PHTCPL, the quality of which will be tested and certified at our in-house laboratories or laboratories approved by PHTCPL. A part of the Net Proceeds from the Fresh Issue will be utilized for infusing equity capital into PHTCPL. For more details on the utilization of the Net Proceeds from the Fresh Issue, please see the section titled ‘Objects of the Offer’ on page 105.

PHTCPL is exposed to all risks faced by an NBFC, which include, amongst others:

- Credit risk due to default and non-payment by any borrowers (and other parties providing security in relation thereto); notwithstanding that PHTCPL would undertake necessary recourse available under applicable laws for the repayment of such loans. Any such recourse may not be adequate or may not produce the desired result. Any such default and non payment of our dues could result in write offs and/or provisions in our financial statements, which may adversely affect PHTCPL's profitability and asset quality.
- Risk due to decline in the value of the collateral security provided to us, which is not adequately topped up by the borrower in a timely manner. Further, such a collateral security may not be enforceable in a timely manner or at all or if enforced, the same may not realize the entire outstanding amount of the debt. Moreover, if any sanctions or limits are imposed by the government or commodities exchanges on trading activity in agri-commodities, including any holding limits, it could have a material adverse impact on the an enforcement action.
- Liquidity risk due to a mismatch in the assets and liabilities of PHTCPL, which may arise due to any or a combination of reasons such as, difference in the tenure of the assets *vis-à-vis* the liabilities, any early repayment requirements in relation to the liability, or any default in relation to the assets. Further, we cannot assure you that we will be able to raise additional financing to meet the capital requirement of PHTCPL. Any failure in the future to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements.
- Interest rate risk on account of fluctuations in cost of capital of PHTCPL (particularly in the interest rate at which it borrows money) and the interest rate at which PHTCPL lends to our clients and the resultant fluctuation in the interest rate margin. Interest rates fluctuate on account of various market conditions, which are outside the control of the company. Further in the future, there may be limitations under applicable law in relation to the interest-rate, which can be charged.

Further, NBFC operations are subject to extensive regulations (including adherence to specific accounting norms, capital adequacy norms, compliance and reporting requirements), which are amended from time to time, inadequate compliance or non-compliance of which, may result in penalties or other sanctions imposed by the concerned regulator. Compliance with these regulations will add to the strains on our resources.

PHTCPL will provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses or any other warehouse approved by PHTCPL. Thus, PHTCPL will also be dependent upon our Company for business opportunities. In this regard, our Company and PHTCPL have entered into a 'collateral management agreement' dated December 19, 2014. Under this agreement, the Company is responsible to obtain insurance cover in relation to the goods stored in the warehouses' of the Company.

Furthermore, the business of PHTCPL will compete with our existing funding facilitation activities. Although, this will be beneficial for our customers; however, an increase in the business of PHTCPL will lead to a decline in our existing funding facilitation activities. For more details on our existing collateral management and funding facilitation activities, please see the chapter titled '*Our Business*' on page 153.

Further, NBFC operations are susceptible to error, omission, fraud and negligence, which could adversely impact our business, results of operations and financial condition.

Occurrence of any and all of the above circumstance could affect our financial performances (on a consolidated basis) and the price of the Equity Shares.

25. ***Our Company has recently acquired a non-banking financial company (NBFC), Punarvasu Holding and Trading Company Private Limited (PHTCPL). The NBFC industry segment for which the Offer is proposed has contributed to less than 25% of our revenues in the last three Fiscals.***

Our Company has recently acquired PHTCPL, an NBFC registered with the RBI, which is now a wholly

owned subsidiary of the Company. The object of acquiring PHTCPL is to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses and other warehouses as decided by PHTCPL, the quality of which will be tested and certified at our in-house laboratories or laboratories approved by PHTCPL.

We will utilize a portion of the Net Proceeds from the Fresh Issue for the purpose infusing equity capital into PHTCPL. We have recently acquired PHTCPL as a consequence of which the business of PHTCPL has contributed to less than 25% of our revenues in the last three Fiscals. For further information on the objects of the Offer, please see the section titled “*Objects of the Offer*” on page 105.

26. ***Failure to maintain certain standards of infrastructure and operations carried out by us for storage of agri-commodities stored in our warehouses could have an adverse impact on our business. Further, our inability to consistently meet the quality and other requirements of our customers or a change in customer preferences could lead to lower preference for our services or expose us to public liability, and affect our business.***

At our warehouses we can store over 180 agri-commodities as per the insurance cover maintained by us. Goods stored in warehouses are susceptible to adverse weather conditions and typically prone to pilferage. The risk of deterioration is higher with respect to agri-commodities requiring cold storage.

Further, if agri-commodities are to be exported to certain countries, such as the U.S. and countries in the European Union, the stocks exported in relation thereto are required to be of a specified quality and should be processed at facilities, which satisfy the prescribed standards.

Thus, we need to maintain a certain standard of infrastructure and operations for storage of these products at our warehouses. We endeavour to achieve these specified requirements by ensuring that we invest capital in the infrastructure and operating procedures at our warehouses and by adhering to prescribed standards. For more details on our warehousing infrastructure and operations, please see the section titled “*Our Business*” on page 153.

If we fail to maintain the above specified requirements, we may be unable to offer the services sought from us and may fail to retain our customers, which will have an adverse impact on our business, growth prospects and financial results. Further, if the quality and quantity of the goods that are warehoused is compromised, we could be in breach of our contractual obligations to our customers which could lead to, amongst others, monetary and reputational damages. For instance, the NCDEX Agreements stipulate the quality and quantity parameters that need to be persevered in relation to the goods stored in our warehouses.

Therefore, we have to, on a regular basis, keep pace with the quality requirements of our customers and invest continuously in our infrastructure and operating procedures in order to provide services of the desired quality. If we are unable to provide services of the desired quality to our customers, it may adversely affect our business, result of operations, and financial condition.

Consequently, we may be liable for breach of our contractual obligations with our customers. Any breach of our obligations may result in termination of our contracts by our customers, which could have an adverse impact on our business, reputation and financial results.

27. ***We face several risks associated with the setting up Owned Warehouses and Other Units, which could hamper our growth and consequently our business, results of operations and financial condition.***

Our business depends on, amongst other things, our ability to set up new warehouses in a cost effective and timely manner. A part of the Net Proceeds from the Fresh Issue will be utilized for setting up Owned Warehouses. For more details on the utilization of the Net Proceeds from the Fresh Issue, please see the section titled “*Objects of the Offer*” on page 105.

When setting up an Owned Warehouse or Other Unit, we may encounter cost overruns or delays or may

have to abandon such projects for various reasons, including delays or inability in acquisition of land, construction related issues, and receipt of government approvals. We have experienced such cost overruns and delays in the past. For more details in this regard, please see the section titled '*History and Certain Corporate Matters*' on page 189. Our dependence on consultants, vendors and/or contractors as well as a change in input prices like cement and steel may also result in an increase in construction costs to the extent that it makes the project unviable and result in discontinuation of the projects. In addition, we may not be able to recruit skilled and experienced personnel to set-up and operate an Owned Warehouse and Other Unit in a timely manner or at all. Further, our budgeted resources may prove insufficient to meet our requirements, which could exhaust our internal accruals or compel us to raise additional capital, which may be on terms unfavourable to us or which may not be available at all. If any Owned Warehouse or Other Unit proposed to be set up is not completed in a timely manner, or at all, our business and results of operations may be adversely affected.

Further, our Company benefits from various subsidies and exemptions from the Government for the construction of warehouses. Non-granting of, changes in, withdrawal, delay in disbursement or elimination of such subsidies and exemptions may adversely affect our financial condition and results of operations. In the past we have witnessed an instance of recall of an advance subsidy granted to us by NABARD under its scheme for Agricultural Marketing Infrastructure, Grading and Standardization for the purpose of setting-up warehouses in Rajasthan.

28. *Our Company proposes to establish a private mandi platform. Our Company has no operating history of, and our existing key management personnel have limited experience in, providing mandi services.*

Our Company envisages leveraging our integrated business model to provide *mandi* services to farmers and traders & aggregators, subject to applicable provisions of law and our contractual obligations. Through our *mandi* services, we propose to directly link buyers and sellers of agri-commodities. Our Company already has the requisite backend IT systems to record the quality and quantity of goods stored in our warehouses on a real time basis, which we propose to leverage for our *mandi* services.

Our Company has no operating history of, and our existing key management personnel have limited experience in, providing private *mandi* services, which may place significant demands on our management and other resources and may pose new business and financial challenges, which may entail substantial senior level management time and other resources.

Accordingly, we will be subject to all the business risks and uncertainties associated with managing our proposed *mandi* services. We may fail to successfully implement our business plan in relation to our proposed *mandi* services, which could adversely affect our business, results of operations, financial condition and prospects. Further, as we may grow and diversify our proposed *mandi* services, we may not be able to implement, manage or execute our strategy efficiently in a timely manner or at all. Further, our financial statements for historic periods should not be considered indicative of our financial position for any future periods, in relation to our proposed *mandi* services.

29. *We face several risks associated with relocating our Owned Warehouses and Other Units, which could hamper our business, results of operations and financial condition.*

Amendments to the existing legal and regulatory framework and developments in commercial requirement, from time to time, amongst other factors, alter the business and operational dynamics for our Company. These factors include the town planning scheme, the taxes levied by local bodies, and local rules of the road transportation authorities, as applicable to a particular area. Pursuant to such considerations our Company may transfer, sell or relocate its fixed assets (including the land and building, in full or in part) to another location. We may be unable to re-establish operations at an appropriate alternate location in a timely manner, or at all. For further details please see the section titled "*Risk Factors - We face several risks associated with the setting up Owned Warehouses and Other Units, which could hamper our growth and consequently our business, results of operations and financial condition*" on page 36. There can be no assurance that a relocated Owned Warehouse or Other Unit would be as commercially viable. Moreover, if

the vacated property is rented or sold to or used by a competitor, we may also face increased competition in or from that geographic area. The occurrence of any or a combination of such event could adversely affect our business, financial condition, and results of operations.

30. ***We have a large number of Hired Warehouses. If we are unable to renew or enter into fresh hiring arrangement for our Hired Warehouses on favourable terms in a timely manner, or at all, our business, financial condition and results of operations may be adversely affected. Further, in certain cases our hiring arrangements may be subject to lock-in requirements. Moreover, in certain cases our hiring arrangements are subject to revenue sharing arrangement. These factors may adversely affect our business, financial condition and results of operations.***

As on November 30, 2014, we have 45 Hired Warehouses, which represents 2.42 million sq. ft. (or 25.73%) of our total storage capacity in terms of storable floor plate area. For further details in relation to our Hired Warehouses, please see the section titled “Our Business” on page 153.

We could be required to cease our operations at a Hired Warehouse and/or shift the same, should the contract in relation thereto be terminated for any reason or owing to amendments to the existing legal and regulatory framework and developments in commercial requirement. Further, our hiring arrangements are generally for 11 months, and these arrangements are renewed or terminated in the light of our business requirements. There can be no assurance that we will be able to renew these contracts or enter into fresh arrangements in a timely manner on favourable terms or at all.

Further, we may be unable to re-establish operations at an appropriate alternate location in a timely manner, or at all. There can be no assurance that a relocated warehouse would be as commercially viable. Moreover, if the vacated property is rented or sold to or used by a competitor, we may also face increased competition in or from that geographic area, which could adversely affect our market share and revenues.

If an agreement is terminated prior to its tenure, or if it is not renewed or if we are required to cease business operations at our Hired Warehouse for any reason whatsoever, our business, financial condition and results of operations may be adversely affected.

Further, we endeavour to maintain flexibility for exiting from the hiring arrangement for our Hired Warehouses based on its commercial viability. However, in certain cases the arrangement may be subject to a lock-in provision. Hence, such arrangements cannot be terminated during the lock-in period even if the warehouse is not commercially viable, which could adversely affect our business, financial condition and results of operations.

In certain cases the hiring arrangement for our Hired Warehouse are based on a revenue sharing arrangement. Any variation or renegotiation of such terms, could adversely affect our business, reputation, financial condition and results of operations.

31. ***Our registered and corporate office have been leased or licensed to us. If we are unable to renew our lease or license in relation to these offices in a timely manner or at all or enter into fresh arrangements on favourable terms or at all, our business, financial condition and results of operations may be adversely affected.***

Our registered office at Gandhinagar, Gujarat and our corporate office at Andheri Kurla Road, Mumbai are not owned by us and have been leased or licensed to us. We could be forced to relocate our operations from these offices should the contract in relation thereto be terminated for any reason. Furthermore, there can be no assurance that we will be able to renew these contracts or enter into fresh arrangements on favourable terms in a timely manner, or at all. If an agreement is terminated, prior to its tenure or if it is not renewed, for any reason whatsoever, our business, financial condition and results of operations may be adversely affected.

32. ***Delays or defaults in receivables could result in reduction of our cash flows and profits.***

One of the risks involved in relation to our business is the extension of credit to our customers for services rendered or goods sold and the uncertainty regarding the receipt of outstanding amounts, which, could result in a high level of outstanding receivables. If the delays or defaults in client payments increase in proportion to our total revenues, it will result in a reduction of our cash flows and profits. As on March 31, 2014 and September 30, 2014, we had ₹ 624.74 million and ₹ 602.40 million, respectively of outstanding receivables.

Further, while we may be able to exercise a lien over some of the products warehoused, in the event of a non-payment of dues, there can be no assurance that we will be able to successfully sell the products to recover our dues in part or full.

33. *We may be unable to enforce our rights under some of our agreements with our counter-parties on account of insufficient stamping and non-registration or other reasons.*

We enter into agreements with several persons, including with our clients, suppliers and vendors, and in relation to our Hired Warehouses and PPP Warehouses. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the counter-party involved. Some of the agreements executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all. Further, we may also not be in compliance with all the terms of such documentation, including the applicable confidentiality provisions, which may subject us to claims in relation to the same.

Further, we may not have a definitive agreement with some of our counter-parties, including our customers. The arrangement with such counter-parties could be through an invoice, customary trade practice or a warehouse receipt, amongst others. There can be no assurance that we will be able to enforce our rights under these arrangements.

34. *We have a large work force and our employee benefit expense is a significant component of our operating costs. An increase in employee benefit expense and labour unrest can reduce our profitability. Additionally, our Company has witnessed a high rate of attrition in the past.*

Our operations are labour intensive. As of November 30, 2014, the total staff strength on our payrolls was 515 employees (excluding support staff engaged through contractors). Our employee benefit expense has been a significant component of our operating costs. Any increase in our staff strength, inflationary pressure, or on account of increased level of competition for skilled and semi-skilled employees in India, could increase our employee benefit expense and reduce our profitability or result in losses, which could, amongst others, impact our growth prospects.

Furthermore, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and/or if other workers of our customers and vendors, who carry out work from our premises are unionized, we may face the threat of labour unrest, work stoppages and diversion of our management's attention, which may have an adverse impact on our business, results of operations and financial condition.

Further, we experience significant attrition amongst our employees. Thus, if we are unable to hire additional personnel or retain existing personnel in a timely manner, our operations and ability to expand our business may be impaired, and our revenues may decline, which could adversely affect our business and results of operations.

35. *Cases of fraud, negligence and other criminal activities involving our employees or our counter-parties can adversely impact our business.*

Although operations at our warehouses and Other Units are carried out based on standard operating procedures, which are reviewed from time to time, and that the operations are carried out trained professionals and supervised by experienced staff, we are nevertheless susceptible to error, omission, fraud, negligence and other criminal activities on the part of our employees or our counter-parties, which could, amongst others, lead to issuance of counterfeit warehouse receipts and disclosure of our confidential data, and which could adversely impact our business, results of operations and financial condition.

In the past, we have witnessed a case of fraud against our Company involving one of our former employees. This led to a noting in our auditor's report under the Companies (Auditor's Report) Order, 2003. For further details in this regard, please see the section titled '*Outstanding Litigation and Material Developments*' on page 336.

We have obtained, amongst others, crime, professional indemnity and directors' & officers' management liability cover, which protects our Company from any fraud, amongst other risks, on the part of our employees. However, we cannot assure you that instances of error, omission, fraud, negligence and other criminal activities on the part of our employees or our counter-parties will not occur in the future. For more details regarding risks and our insurance cover, please see the section titled "*Risk Factors - Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses*" at page 42.

36. *Our continued operations are critical to our business. Any disruption to our operations, on account of a break-down in machinery, interruption in power supply or otherwise, may have an adverse effect on our business, results of operations and financial condition.*

Our warehouses and Other Units are subject to operating risks, including the durability of our structures, breakdown or failure of equipment, power supply or operating procedures, per obsolescence, labour shortage and industrial accidents. In addition to the above, we may face the threat of labour unrest and work stoppages, which may lead to diversion of our management's attention. Our business and financial results may be adversely affected by any disruption of operations, including as a result of any of the factors mentioned above.

In particular, some of our existing and proposed business operations, including our cold storage warehousing services, weighment, testing & certification services and primary processing activities, including at our proposed plant at Netra, Rajasthan, are or will be heavily dependent on machinery, including refrigerating systems. Any malfunction or breakdown of such machinery may entail significant repair and maintenance or replacement costs and cause delays in our operations. Further, if we are unable to repair the damaged machinery, our operations may need to be suspended until we procure machinery to replace the same, which could have an adverse impact on our business, reputation and financial results.

Any malfunction or break-down of such machinery may also cause the quality of products stored with us to be affected or may delay or lead to an error in, amongst others, our weighment and testing & certification services, and primary processing activities. Consequently, we may be liable for breach of our contractual obligations with our customers, which could have an adverse impact on our business, reputation and financial results.

Further, some of our activities and operations, including services and operations pertaining to our cold storage warehouses, testing & certification services, and our primary processing operations, are dependent on power supply. Further, we propose to establish new warehouses, grow our testing & certification services, and our primary processing plant at Netra, Rajasthan is also expected to be operational by June 30, 2015, all of which will increase our power consumption.

Any continuous interruption in power supply or an increase in its tariff can increase the operating cost of our warehouses and Other Units and may damage the goods we deal in and have a material adverse impact

on our business and results of operations.

- 37. *Our business is subject to availability of third party service providers for transport and logistics of the goods we deal in. Any disruption in transportation services could have an adverse impact on our operations and business.***

Our business operations require the transport and logistics of the goods we warehouse, procure, process and/or trade in from their origin to destination. These transportation services are availed directly by our clients (or through us) from third party operators. These transportation services may be disrupted by force majeure events and other factors such as labour unrest and disputes and strikes. The availability and viability of availing transportation services can also be affected by an increase in cost of fuel. If our clients are unable to source such services in a cost effective and timely manner or at all, our customers will seek alternative arrangements, which could have an adverse impact on our business, operations and financial results.

Further, delivery disruptions in general, and particularly in relation to our distribution network, may occur for various reasons beyond our control, including poor handling by distributors or third party transport operators, transportation bottlenecks, natural disaster, and could lead to delayed or lost deliveries. If our stocks are not delivered to warehouses on time, or are delivered damaged, we may have to pay compensation, apart from loss of business and harm to our reputation.

- 38. *Our operations are dependent upon information technology. Thus, any failure of our information technology systems could adversely impact our business.***

Our day to day operations in relation to, amongst other, issuance of warehouse receipts and stock tracking, are dependent on our information technology systems including, SAP. We also use information technology systems for routine corporate activities such as processing of financial information. Further, our proposed operations in relation to our collateral management and funding facilitation activities through PHTCPL, and our primary processing facility at Netra, Rajasthan will also depend on our information technology systems.

Although we believe that we have effective backup systems in place, any partial or complete disruption of or expiry of license for our information technology systems could adversely impact our business and result of operations.

Further, SAP has been licensed to our promoter, KPTL; and our Company is permitted to use the software under the license, until such time KPTL holds more than 50% of voting rights in our Company.

Furthermore, new technology currently under development or that may be developed in the future, if employed by us may entail costs, which may be significant, and if not employed by us it may otherwise affect our operating costs. Moreover, if any such technologies are employed by our existing competitors or new entrants, it may adversely affect our competitiveness. The development and application of new technologies involve time, substantial cost and risk. Our competitors may be able to deploy new technologies before us and we cannot predict how emerging and future technological changes will affect our operations or the competitiveness of our services. If we fail to successfully implement new technologies in a timely manner or at all, our business, financial condition and results of operations may be adversely affected.

- 39. *If we cannot respond effectively to competition or increase our tariff from time to time, our financial condition may be adversely affected. Further, in certain cases our tariff is determined by a third-party over which we may not have any control.***

We face competition across our business activities from varied players. In relation to our warehousing services and commodities procurement, primary processing & trading activities we compete with state warehousing corporations, private warehousing service providers, numerous traders and/or aggregators. In relation to our collateral management & funding facilitation services, PHTCPL competes with various

players in the NBFC industry as well as banks.

Our competitors may have a significant pricing and/or locational advantage in specific markets owing to various factors including differing scales of operations, the nature of their rights to operate their warehouses, and the sizes of their warehouses and units. They may also have diversified their presence in comparatively more geographical areas and may therefore be in a better position to consolidate on their market share. Our ability to innovate and maintain and enhance our competitiveness will have a direct effect on our business, financial condition and results of operations.

Further, if our competitors enter into similar PPP with the RSWC or any other government agency, it may compromise our market share and impact our business and financial condition. For further details please refer to the section titled “*Risk Factors - We are heavily dependent on our PPP with the Rajasthan State Warehousing Corporation (RSWC), and could be adversely affected by the termination or renegotiation of the terms of the RSWC MoU*” on page 17.

Our EBITDA and net profit is dependent on the revenues we earn from our warehousing and other related services, which in turn is based on our tariff rate for these services, amongst other factors. If we are unable to revise our tariff rates from time to time, it may impact our revenue and profitability from these services. In certain instances, our tariff rate is set by or we are required to adhere to the terms and condition of a third-party over which we may not have any control, for instance by RSWC and NCDEX as a result of the RSWC MoU and our accreditation with the NCDEX, respectively. Our ability to revise our tariff in such cases is limited, which could affect our financial condition.

If we are unable to effectively respond to competition from existing players and prospective entrants and consequent pricing pressures, and in the absence of business opportunities and warehousing demand, or we are unable to revise our tariff from time to time, it will adversely affect our business, financial condition and results of operations, including having to cease our operations.

40. *Accidents could result in the slowdown or stoppage of our operations and could also cause damage to life and property.*

We endeavour to meet necessary safety standards in relation to our operations. However, certain accidents or mishaps may be unavoidable or may occur on account of negligence or human error in complying with the prescribed safety standards or for other reasons. Such accidents or mishaps may result in, amongst others, an action of tort being initiated against us. We have witnessed such accidents in the past including breakage of fire at one of our warehouse on April 10, 2014 (in relation to which an insurance claim has been filed, and in January 1, 2011, there was a minor leakage of ammonia gas from the refrigerating system at one of our cold storage warehouse, which was consequently contained.

Therefore, although we take steps to ensure safety, accidents, including human fatalities, may occur and there can be no assurance that our safety measures and the precautions undertaken will be completely effective or sufficient. Further, if we fail to maintain adequate insurance cover in relation to the foregoing, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or delay in settlement, amongst other things, our exposure will increase. Any accident at our warehouses could also harm our reputation. Such accidents may have an adverse impact on our business and reputation.

41. *Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.*

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. Our insurance coverage is a key aspect of our risk management strategy. For details regarding our insurance coverage, please see the section titled “*Our Business*” on page 153.

While we believe that we have sufficient insurance coverage, certain types of losses may be either uninsurable or not economically insurable. Should an uninsured loss occur or if we fail to obtain adequate

insurance, we could lose our investment as well as anticipated profits and cash flow from such loss. In addition, even if any such loss is insured, there may be a significant deductible (including prior to our insurer being obligated to reimburse us for the loss) or a cap on any claim or the claim may be subject to exceptions. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, financial condition and results of operation. Further, there could be a significant delay in the settlement of the claim, which could impact our operations and cash flow. For instance, we have experienced a delay in the settlement of the claim we have filed in connection with the case of fraud involving one of our former employees. Furthermore, an insurance claim once made could lead to an increase in our insurance premium.

If we fail to adequately maintain and/or renew an insurance cover, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or cap, or delay in settlement or any incremental claim, amongst other things, will result in an increase of our exposure. Moreover, we could fail to identify any potential risk for losses or fail to monitor whether the level of insurance we ordinarily maintain is adequate, or fail to obtain an insurance cover.

42. *We could be adversely affected by instances of food-borne illness, as well as widespread negative publicity regarding food quality, illness, injury or other health concerns.*

Negative publicity, real or perceived, about food quality, illness, injury or other health concerns or similar issues stemming from agri-commodities we deal in or region from where such agri-commodities are sourced could affect us adversely, regardless of whether they pertain to our own warehouses or those operated by others.

Further, there are certain instances when clients do not collect their stocks from our warehouses despite reminders, which may result not only in deterioration of their stock but may consequently endanger other stocks stored in the warehouse.

In addition, we cannot guarantee that our operational controls and employee training will be effective in preventing food-borne illnesses, food tampering and other food safety issues that may affect our operations. Furthermore, it could result in the breach of applicable law and/or any license, permit or registration maintained by us, and, consequently, a cancellation thereof. Additionally, we may also be open to public liability from the end consumer for defects in the quality of the product, in relation to which we do not have any insurance cover.

Any food borne illness coupled with negative publicity may adversely impact our services thereby affecting our business, financial condition and results of operations.

43. *If the Company fails to comply with applicable laws our results of operation may be adversely affected.*

Laws and regulations applicable to our Company, business and operations are extensive and stringent and it is possible that they will become significantly more stringent in the future. If, as a result of inadequate or non-compliance with any applicable laws from time to time, any penalty is imposed on the Company, or sanctions are imposed on our Company, or our Company is blacklisted or de-barred from undertaking certain activities, or the operations of any of our warehouses or Other Units are shut down, amongst others, our Company will continue to incur costs in complying with such laws and appealing any decision, including maintaining operations and continuing to pay labour and other costs which continue, even if the warehouse or Other Unit is closed. As a result, our overall operating expenses will increase and profits will decrease. For further details on the applicable laws, please see the section titled “*Regulations and Policies*” on page 180.

In one instance in the past, in relation to VAT our premises at Bhikaji Kama Place, Delhi was sealed by an

order passed by the Assistant Commissioner of VAT under Section 60 of the Delhi VAT Act, 2004. For further details, please see the section titled “*Outstanding Litigation and Material Developments*” on page 336. Further, while we are materially compliant with respect to our compliances under the Companies Act, 2013 and Companies Act, 1956; however, there have been certain technical non-compliances in the past. Furthermore, there could be certain technical non-compliance with respect to ownership of certain of our fixed assets, in relation to which applications to obtain necessary permits, consents or approvals have been applied for and the same are under process.

44. ***Some of the trademarks that we use are pending registration in our name and we may, consequently, be unable to defend any infringement of our intellectual property rights. Further, some of the trademarks that we use belong to a third-party and may not be registered, or licensed to us or may be licensed to us on term not favourable to us. We may be liable for infringement and/or passing off of intellectual property.***

We believe that one of the factors of our success is our brand and we use several trademarks in connection with our business. While we have filed applications for registration of trademarks under various classes in terms of the provisions of the Trade Marks Act, 1999, the process of registration in India is time-consuming and there can be no assurance that we will be granted the trademark, soon or at all.

Further, we have received certain objections from the Registrar of Trade Marks in respect of some of our trade mark applications. If we are unable to obtain the requisite registration, intellectual property like or similar to ours may be used by others including our competitors, thereby diluting our brand value and our goodwill.

In addition, our ability to defend any infringement of our intellectual property rights may be hampered by lack of registration since we will only be able to initiate proceedings for passing-off (which are comparatively more onerous to prosecute), which could adversely affect our brand, our goodwill and business prospects.

Further, some of the trademarks that we use belong to a third-party, including the trade mark ‘*Kalpataru*’. Some of these trademarks may not be registered, or not duly licensed to us or may be licensed to us for limited use or tenure or on terms not favourable to us. Further, with respect to the trademarks licensed to us, the same may not be on exclusive terms or we may not be able to renew the same on favourable terms or at all. Thus, we may be liable for infringement and/or passing off of intellectual property. Moreover, if any such license agreement is terminated prior to its tenure, or if it is not renewed or re-negotiated or renewed on terms not favourable to us, our business, financial condition and results of operations may be adversely affected.

For details of trademarks that we use, please see the sections titled “*Our Business*” and “*Government and Other Approvals*” on pages 153 and 376, respectively.

45. ***Our contingent liabilities could adversely affect our financial condition.***

As of September 30, 2014, we had certain contingent liabilities that have been stated in our Restated Financial Statements. If any of our contingent liabilities materializes, it could have a material adverse effect on our results of operations, cash flows and financial condition. For further details, please see the section titled “*Financial Statements*” on page 237.

46. ***We will not receive any proceeds from the Offer for Sale. Further, none of the objects of the Offer for which funds are being raised are being appraised by any bank, financial institution or financial advisor. Any variation in the estimates could affect our growth prospects. The use of the Net Proceeds is not subject to monitoring by any independent agency.***

The Offer comprises of the Fresh Issue and the Offer for Sale. Accordingly, our management will have access to the proceeds from the Fresh Issue and we will not receive any proceeds from the Offer for Sale. For more information, please see the section titled “*Objects of the Offer*” on page 105.

Our fund requirements for the objects are based on internal management estimates. None of the objects of the Offer for which the Net Proceeds will be utilized have been appraised. Further, the use of the Net Proceeds is not subject to monitoring in terms of Regulation 16 of the SEBI Regulations. Our Audit Committee and our Board of Directors will monitor the utilization of the Net Proceeds.

In view of the competitive environment of the industry in which we operate as well as the competitive nature of the industry, we may have to revise our business plan from time to time and consequently our capital requirements may also change. Our historical capital expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. Further, any such revision in the estimates may require us to revise our projected expenditure and may have a bearing on our expected revenues and earnings.

Subject to applicable law, this may also include re-scheduling the proposed utilization of Net Proceeds of the Fresh Issue at the discretion of our management. We may make necessary changes to the utilization of Net Proceeds of the Fresh Issue in such cases in conformity with the provisions of applicable law in relation to the change in the objects in a public issue. In case of any increase in the actual utilisation of funds earmarked for the Objects or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by way of means available to us, including by way of incremental debt or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes in accordance with applicable laws.

47. ***A part of the Net Proceeds from the Fresh Issue will be utilized for repayment of certain loans, which will not result in creation of any tangible assets. Further, a part of the Net Proceeds from the Fresh Issue will be used to repay a loan obtained from one of our Promoters, KPTL.***

Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain loans availed by our Company, including repayment of the loan obtained from one of our Promoters, KPTL, and for repayment of the loan obtained to construct our proposed primary processing plant at Netra, Rajasthan. For further details regarding the utilization of the Net Proceeds from the Offer, please see the section titled “Objects of the Offer” on page 105.

We believe that our repayment of these loans will help our Company to reduce our interest and finance costs and will improve our net earnings in the future. Further, it will help our Company to improve our ability to raise additional debt for our future needs towards any of our existing operations and towards newer opportunities that we may identify.

We cannot assure that we will not continue to undertake such financial obligations, including from our Promoters, in the future or that they will not impose restrictive conditions in relation to the amounts that has already been borrowed or is to be borrowed in the future.

For further details regarding the utilization of the Net Proceeds from the Offer, please see the section titled “Objects of the Offer” on page 105.

48. ***Any variation in the utilization of the Net Proceeds as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.***

We propose to utilize the Net Proceeds of the Fresh Issue for certain purposes, including part financing the Project Cost of establishing new warehouses, further capitalizing our Subsidiary, PHTCPL, and repaying or pre-paying, in full or in part, certain loans availed by our Company. For details of the objects of the Issue, please see the section titled “Objects of the Offer” on page 105. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising

out of a competitive environment, business conditions, economic conditions or other factors beyond our control. Our management may also determine that it is appropriate to revise our estimated expenditure, fund requirements and deployment schedule for various reasons including revision in cost estimates, exchange rate fluctuations and external factors, which may not be within the control of our management but may affect the use of Net Proceeds of the Fresh Issue. In accordance with Section 27 of the Companies Act, 2013, our Company cannot undertake any variation in the utilization of the Net Proceeds, as disclosed in the Red Herring Prospectus, without obtaining the prior approval of the shareholders' through a special resolution. In the event of any such circumstances that require us to undertake variation (in the disclosed utilization of the Net Proceeds), we may not be able to obtain such shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer, at a price and manner as may be prescribed by SEBI. SEBI has not yet prescribed any regulations in this regard and such regulations may contain onerous obligations. The imposition of such obligation on our Promoters or controlling shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal to enable them to provide an exit opportunity at the price, which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake any variation of the objects of the Fresh Issue even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition, which may adversely affect our business and results of operations.

49. *Our management will have flexibility in temporarily investing the Net Proceeds of the Fresh Issue.*

We propose to utilize the Net Proceeds of the Fresh Issue for certain purposes, including part financing the Project Cost of establishing new warehouses, further capitalizing our Subsidiary, PHTCPL, and repaying or pre-paying, in full or in part, certain loans availed by our Company. For details of the objects of the Offer, please see the section titled "*Objects of the Offer*" on page 105.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending the utilization of the Net Proceeds of the Fresh Issue, subject to applicable law, we have flexibility to temporarily invest such Net Proceeds of the Fresh Issue in accordance with the policies established by the Board.

50. *Our Company has issued Equity Shares in the last twelve months at a price which may be lower than the Offer Price*

On February 6, 2015, pursuant to conversion of 30 CCD's held by Tano, our Company allotted 2,327,876 Equity Shares to Tano pursuant to the Investment Agreement. The price at which these Equity Shares have been allotted to Tano may be lower than the Offer Price and should not be construed to be indicative of the Offer Price.

Further, on October 1, 2014, our Company has established the ESOP Scheme and thereafter granted options thereunder. The price at which these Equity Shares will be allotted under the ESOP Scheme may be lower than the Offer Price and should not be construed to be indicative of the Offer Price. For further details regarding the ESOP Scheme, please see the section titled "*Capital Structure*" on page 91.

51. *Certain orders for machinery to be utilized in our operations have not yet been placed. A failure to implement our growth strategies, which may adversely affect our business prospects.*

We have not yet placed orders for certain machinery to be deployed in relation to our ongoing and future business operations. We cannot assure you that the acquisition of machinery will be completed in a timely manner, on terms that are commercially acceptable to us, or at all, which may result in time and cost

overruns and consequently adverse effect on our growth, business and results of operations.

52. ***We believe our business benefits from the trust and confidence reposed by our customers in the brand name of Kalpataru; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in the 'Kalpataru' brand is essential to our business. Our Company has entered into a 'trade mark license agreement' dated January 23, 2015 to use the trade mark 'Kalpataru', amongst others.

As such, any damage to our reputation, or that of 'Kalpataru', could substantially impair our ability to maintain or grow our business. In addition, any action which negatively impacts the 'Kalpataru' brand could have a material adverse effect on our business, future financial performance and results of operations.

53. ***There is no specific agreement between our Promoters governing their inter-se rights and obligations with respect to their shareholding in the Company, which may lead to a disruption in the operations of the Company and could adversely affect our business and financial condition.***

Save for the Investment Agreement executed by Tano, our Company and our Promoters pursuant to the investment made by Tano in our Company, there is no agreement, written or otherwise, entered into by and between our Promoters, which governs their inter-se rights and obligations with respect to their shareholding in the Company. As such, it cannot be ensured that the interests of the Promoters would at all times be aligned with each other and that of the Company. Thus, any dispute between the Promoters may lead to a disruption in the operations of the Company and could adversely affect our business and financial condition.

54. ***Certain of our shareholders have certain special rights with respect to their shareholding in our Company. There can be no assurance that these shareholders will take actions that are in the best interest of our Company or that of the other shareholders.***

Our Company has entered into the Investment Agreement with Tano and our Promoters, which governs the rights and obligations pertaining to their shareholding in our Company, and accords them with certain special rights. For more details in this regard, please see the section titled 'History and Certain Corporate Matters' on page 189. Pursuant to the Amendment Agreement executed in relation to the Investment Agreement, the Investment Agreement shall terminate upon receipt of permission from the Stock Exchanges for the listing of the Equity Shares.

Further, certain special rights in relation to appointment of at least two Directors on our Board and the nomination of the chairman of our Board and for our general meetings are vested in favour of our Corporate Promoter in our Articles.

Our Articles are divided in two parts. In 'Part A' of the Articles, our Promoters have certain special rights. In 'Part B' of the Articles, Tano has certain special rights. 'Part B' of the Articles will automatically fall away upon the listing of the Equity Shares. However, until then, in the event of any inconsistency between 'Part A' and 'Part B' of the Articles, 'Part B' of the Articles will supersede 'Part A' of the Articles.

There can be no assurance that our shareholders with special rights will take actions that are in the best interest of our Company or that of the other shareholders.

55. ***Our Company has experienced negative cash flows in prior periods and may continue to do so in the future, which could have a material adverse effect on our business, results of operations and financial condition. Further, certain of the Group Entities have incurred losses and/or experienced negative net-worth in the prior periods.***

(a) Negative cash flows of our Company

Our Company has experienced negative cash flows in the past, the details of which are provided below. We may experience negative cash flows in the future and this may have a material adverse effect on our business, results of operations and financial condition.

(in ₹ million)

Particulars	Six months period ended September 30, 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net Cash Flow from / (used in) Operating Activities	139.20	340.36	(83.06)	36.43	(89.32)
Net Increase (or Decrease) in Cash and Cash Equivalents	1.37	9.60	(227.43)	214.33	16.29

(b) Loss making Group Entities

Certain of our Group Entities have incurred losses in the past Fiscal, the details of which are provided below. There can be no assurance that Group Entities, firms, ventures etc promoted by our Promoters will not incur losses in the future.

(in ₹ million)

Name of the Group Company	Loss Incurred		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Adeshwar Infrabuild Limited	(0.02)	(0.02)	(0.13)
Amber Real Estate Limited	(160.90)	(2.39)	(0.41)
GestampKalpataru Solar Steel Structure Private Limited	(81.48)	0.16	(0.08)
Jhajjar KT Transco Private Limited	(323.23)	(333.87)	(28.71)
Jodhana Builders Private Limited	(0.10)	(0.20)	(0.11)
Kalpataru Power Transmission USA INC	(11.59)	9.87	10.80
Kalpataru SA (Proprietary) Limited	(0.13)	(0.04)	(0.20)
Kalpataru Satpura Transco Private Limited	(0.02)	N.A.	N.A
Kalpataru Welfare Trust	(0.81)	(0.90)	(1.38)
Kalpataru Power Transmission (Mauritius) Limited	(1.15)	(1.21)	(1.52)
ShubhMangal Developers Private Limited	(0.002)	(0.00)	(0.00)
GPT-KPTL JV	(157.88)	(1.89)	47.51

(c) Negative net-worth Group Entities

Certain of our Group Entities have had negative net-worth. For details in this regard, please see the section titled “Our Group Entities” on page 222. There can be no assurance that Group Entities, firms, ventures etc promoted by our Promoters will not experience a negative net-worth in the future.

56. ***We may incur liability in relation to our present or proposed arrangement with: (a) the Madhya Pradesh Warehousing and Logistics Corporation and M. P. State Civil Supplies Corporation Limited, (b) RSAMB, (c) Maharashtra State Warehousing Corporation, and (d) Odisha State Warehousing Corporation, which could have a material adverse effect on our results of operations, cash flows and financial condition.***

Our Company has entered into several Tri-Partite Agreement with the Madhya Pradesh Warehousing and Logistics Corporation and M. P. State Civil Supplies Corporation Limited to store their goods at our specified warehouses (in part of whole) in Madhya Pradesh. The arrangements are typically for an initial duration of 11 months. Our Company has committed certain storage capacity in this regard at the specified warehouse, and the storage charges have also been fixed at the specified rate. The arrangement further

stipulates that our Company cannot store goods of any other third-party at such warehouses. Further, our Company has certain additional obligations under this agreement including the obligation to fumigate the goods stored and to avail the stipulated insurance cover apart from liability in relation to managing the operations at such warehouses. Further, our Company has provided a security deposit in addition to other security cover in relation to this arrangement. This arrangement restricts us from exploring business opportunities at a particular warehouse with other entities whilst the arrangement is subsisting in relation to the warehouse.

Our Company has entered into a PPP with the RSAMB pursuant to the RSAMB Agreements, viz. tender acceptance letters dated March 22, 2010 and April 15, 2010 issued by the RSAMB and agreements for leasing arrangements for operations dated March 13, 2012 and August 7, 2013. Under the RSAMB Agreement we (on behalf of RSAMB) have constructed and presently manage and operate two cold storage warehouses in Rajasthan. Accordingly, we have earned revenue from construction activities in relation thereto during Fiscals 2013, 2012 and 2011. Further, in terms of the RSAMB we are paying RSAMB a rent in return for our right to manage and operate these two warehouses. Our Company is responsible for, amongst others, the quality of construction of the warehouses, continuous activity and operations of the two warehouses covered under the RSAMB Agreements. Further, our Company has given certain indemnities under the RSAMB Agreement. Furthermore, the Executive Engineer, Rajasthan State Agricultural Marketing Board has issued us a notice dated February 5, 2015 on account of construction of cold storage at Alwar without obtaining an Short Term Permit. The Executive Engineer has imposed a royalty penalty of ₹ 0.16 million. Our Company is in the process of filing a reply to the said notice.

Further, our Company has submitted a PPP proposal (under the Swiss challenge method) to the Maharashtra State Warehousing Corporation and has also participated in a tender floated by the Odisha State Warehousing Corporation, to manage and operate their warehouses. We cannot assure you that a contract will be awarded to us by Maharashtra State Warehousing Corporation or Odisha State Warehousing Corporation in this regard. However, we would be bound by certain obligations, if such contracts were to be awarded to us.

If any of our liabilities under these arrangements materialize, it could have a material adverse effect on our results of operations, cash flows and financial condition.

57. ***We benefit from certain tax benefits, which may not be available to us in the future. Loss of these tax benefits may result in a decrease in our margins. Taxes and other levies imposed by the Central or State Governments, as well as other financial policies and regulations, may have an adverse effect on our business, results of operations and financial condition.***

We are subject to taxes and other levies imposed by the central or state governments and local bodies in India, including import duties, wealth tax, dividend distribution tax, excise duties, central sales tax, service tax, income tax, value added tax, local body taxes and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax schemes in India are subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments in India, including the introduction of commodities transaction tax, may adversely affect our competitive position and results of operations. Further, we cannot assure you that certain tax incentives, that we currently avail, will continue to be available in the future. Changes in, or elimination of, tax incentives may adversely affect our financial condition and results of operations. Further, any withdrawal or reduction or other adverse modification in the income tax regime could have an adverse impact on our business, financial condition and results of operations.

58. ***We benefit from certain subsidies, which may not be available to us in the future. Loss of these subsidy benefits may result in a decrease in our margins.***

We avail of certain subsidies from the central or state governments and local bodies in India, including for the construction of warehouses. The central and state subsidy schemes in India are subject to change from time to time. Any adverse changes or delay in disbursement in any of the subsidy schemes levied by the central or state governments in India. Further, we cannot assure you that the subsidies we currently avail,

will continue to be available in the future.

Illustratively, the CRISIL DPR Report has assumed a subsidy for the warehouse as per the Central Sector Scheme of Integrated Scheme for Agricultural Marketing (ISAM) for the XII Plan period (2012-17) and operated by NABARD. However, pursuant to circular no. 141/DoR42/2014 dated August 7, 2014, NABARD has decided to stop sanction of subsidy for time being for new projects in the remaining period of 2014-2015 under Agriculture Marketing Infrastructure (AMI) sub scheme of Integrated Scheme of Agricultural Marketing. For further details in relation to the disclaimer for the CRISIL DPR Report, please see the section titled "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Disclaimer*" on page 14.

Changes in, or elimination of, subsidies may adversely affect our financial condition and results of operations. Further, any withdrawal or reduction or other adverse modification in the subsidy schemes could have an adverse impact on our business, financial condition and results of operations.

59. *There is no assurance that our Company will be able to pay dividends in the future.*

Our Company's ability to pay dividends in the future will depend on our future earnings, financial condition, cash flows and capital expenditure and there is no assurance that our Company will be able to pay dividends in the future.

EXTERNAL RISK FACTORS

Risks Relating to India

60. *Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.*

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. Accordingly, the price and liquidity of our Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

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

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States of America and Europe. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. A closure of, or trading stoppage on, either the BSE or the NSE could adversely affect the trading price of the Equity Shares.

62. *Global economic instability or slowdown is likely to adversely affect our business and our results of operations.*

Economic developments outside India can adversely affect the economy. During the global financial crisis that began around the second half of 2008, the global credit markets experienced significant volatility, which originated from the adverse developments in the financial markets of the United States of America and the European Union and have had and may continue to have, a significant adverse impact on the financial markets, globally as well as in India. The resulting economic pressure may adversely affect our business and our results of operations.

Furthermore, the Indian economy has witnessed volatility in recent years, and the resulting turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in our industry. Any sustained economic downturns or decreases in general economic conditions may have a material and adverse effect on our business, liquidity and results of operations.

63. *A slowdown in economic growth in India could cause our business to suffer.*

A slowdown in the Indian economy could adversely affect our business and our borrowers and contractual counterparties, especially if such a slowdown were to be continued and prolonged. Further, in periods of high rates of inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our results of operations. Inflation may also have a bearing on the overall interest rates, which may adversely affect our net interest income.

Further, in light of the increasing linkage of the Indian economy to other economies, the Indian economy will be increasingly influenced by economic and market conditions in other countries. As a result, a recession in the United States of America and other countries in the developed world and a slowdown in economic growth in major emerging markets like China could have an adverse impact on economic growth in India.

A slowdown in the pace of growth in the Indian economy could result in lower demand for our services, which could adversely impact our business, our financial performance, our ability to implement our strategy and the trading price of the Equity Shares.

64. *Volatile prices of crude oil could adversely affect the Indian economy, which could adversely affect our business.*

India imports a substantial portion of its crude oil requirement. While oil prices have declined from their peak levels, any subsequent sharp increases or volatility in oil prices and the pass-through of such increases to Indian consumers could have a material negative impact on the Indian economy, including through a rise in inflation and market interest rates and a higher trade deficit. Volatility in oil price or substantial increase in oil prices could affect the Indian economy. This could adversely affect our business, including our ability to grow, our financial condition and the price of the Equity Shares.

65. *Trade deficits could adversely affect our business and the price of our Equity Shares.*

India's trade relationships with other countries and its trade deficit may adversely affect Indian economic conditions. If trade deficits were to increase or become no longer manageable, the Indian economy, and therefore our business, our financial performance and our stockholders' equity could be adversely affected.

66. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.*

The direct adverse impact of the global financial crisis on India has seen the reversal of capital inflows and decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee *vis-à-vis* the US Dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect the Indian economy, our business, our financial performance and our Equity Shares.

67. ***Any downgrading of India's sovereign debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our business and limit our access to capital markets, increase the cost of funds, our shareholders' funds and the price of our Equity Shares.

68. ***A significant change in the government's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.***

Our business and customers are predominantly located in India or are related to and influenced by the Indian economy. The central and state governments have traditionally exercised, and continue to exercise, a dominant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, our ability to implement our strategy and our future financial performance. Since 1991, successive central governments in India have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. For the past several years, coalition based political arrangement between political parties has largely prevailed in central and state governments in India. The leadership of a government and the composition of the coalition in power are subject to change and election results. Further, it is difficult to predict the business and economic policies that will be pursued by the central and state governments in India. The rate of economic liberalization could change and specific laws and policies affecting the warehousing industry and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

69. ***Communal disturbances, riots, terrorist attacks and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect our business, financial condition and results of operations.***

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability.

Also, India or other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. West and South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. Such events could have an adverse impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

70. ***Political instability or changes in the government in India or in the governments of the states where we operate could cause us significant adverse effects.***

Our Company is incorporated in India and currently derives most of its revenues from operations in India and most of our assets are located in India. Consequently, our performance, market price and liquidity of our Equity Shares may be affected by changes in control, government policies, taxation, social and ethnic instability, social/civil unrest and other political and economic developments affecting India. Our business is also impacted by regulations and conditions in the various states in India where we operate. The central and state governments in India have traditionally exercised, and continue to exercise, a significant influence over many aspects of the economy. The current central government has announced that its general intention

is to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued, and a significant change in the government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations. Any political instability could affect specific laws and policies in India pertaining to our Company, business, operations and investment made in the Equity Shares. Any significant change in the government's policies could adversely affect our business, results of operations, financial condition, and prospects and could cause the price of our Equity Shares to decline.

71. *Companies operating in India are subject to a variety of central and state government and local body taxes and surcharges.*

Tax and other levies imposed by the central and state governments and local bodies in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time as well as local body taxes such as property tax and octroi. Moreover, the central and state and local body tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code is being proposed to be introduced in the Indian Parliament. In addition, a new goods and services tax regime is expected to be introduced in the near future, and the scope of the service tax has been recently enlarged. The GAAR provisions intend to catch arrangements declared as 'impermissible avoidance arrangements', which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. The statutory corporate income tax in India, excluding surcharge on the tax and an education cess on the tax and the surcharge, is currently 30%. The central or state government may in the future further increase the corporate income tax it imposes. 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. Additional tax exposure could adversely affect our business and results of operations.

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

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notifications, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures, corporate governance norms, audit matters, and related party transactions. Further, the Companies Act, 2013 has also introduced additional requirements which do not have corresponding equivalents under the Companies Act, 1956, including the 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), and prohibitions on advances to directors. Certain companies are also required to spend 2.0% of their average net profits during the three immediately preceding financial years on corporate social responsibility activities. This provision is presently applicable to our Company. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company, Directors and officers in default, for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

We may face challenges in anticipating the changes required by, interpreting and complying with the provisions of the Companies Act, 2013 due to 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 of India in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

Further, there is no assurance that the government of India will not in the future introduce new laws or regulations (other than the Companies Act, 2013) or amend or change existing laws or regulations in a manner that materially and adversely impacts our business operations and costs of doing business.

73. *Our business and activities may be further regulated by the Competition Act, 2002 and any adverse application or interpretation of the Competition Act, 2002 could materially and adversely affect our business, financial condition and results of operations*

The Competition Act, 2002 seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (CCI). Under the Competition Act, 2002, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly determines purchase or sale prices; directly or indirectly results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services; or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act, 2002, prohibits the abuse of a dominant position by any enterprise.

Further, the combination regulations under the Competition Act, 2002 require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and pre-approved by the CCI.

If it is proven that a breach of the Competition Act, 2002, committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees, are penalized under the Competition Act, 2002 our business may be adversely affected.

Further, it is difficult to predict the impact of the Competition Act, 2002 on our growth and expansion strategies in the future. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, 2002 or any enforcement proceedings initiated by the CCI or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, it may adversely affect our business, financial condition and results of operations.

74. *Investors may not be able to enforce a judgment of a foreign court against us.*

It may not be possible for investors in our Equity Shares to effect service of process outside of India on us or our directors and executive officers named in this Draft Red Herring Prospectus who are residents of India or to enforce judgments obtained against us or these persons in foreign courts predicated upon the liability provisions of foreign countries. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian law and practice. Enforcement of a foreign judgment in an Indian court will be subject to the provisions of Indian law, including, section 13 of the Code of Civil Procedure, 1908. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our charter documents and various provisions of Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder of our Company than as a shareholder of a corporation in another jurisdiction.

75. *Health epidemics and natural calamities in Asia or elsewhere could adversely affect the Indian economy or our business and the price of our Equity Shares.*

Since 2003, there have been outbreaks of Severe Acute Respiratory Syndrome in Asia, the outbreak of avian influenza across Asia and Europe, the outbreak of the Ebola virus in western Africa, and the outbreak of Influenza A (H1N1) across the world had adversely affected a number of countries and companies. Any future outbreak of infectious diseases or other serious public health epidemics may have a negative impact on the economy, financial markets and level of business activity in affected areas, which may, in turn, adversely affect the Company's business prospects, financial condition and results of operations, and the price of our Equity Shares.

India has also experienced natural calamities such as earthquakes, floods, drought and a tsunami in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall and occurrence of other natural calamities could have an adverse impact on the Indian economy.

Risks Relating to our Equity Shares and the Offer

76. *Our Promoters will continue to hold a significant equity stake in our Company after the Offer which affects our ability to raise further capital. Further, there can be no assurance that our Promoters and Promoter Group will take actions that are in the best interest of our Company or that of the other shareholders.*

Following completion of the Offer, our Promoters will continue to hold [●]% of our equity share capital (assuming (a) the Offer is fully subscribed and (b) outstanding stock options are fully converted). Our Promoters will, therefore, have the ability to significantly influence our operations. Our Promoters also hold certain preference shares, which can, give these Promoters additional voting rights in case of non-payment of dividend. There have been arrears in the past in payment of dividend on such preference shares. This will include the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings including issue of Equity Shares, payment of dividends, determining business plans, mergers and acquisitions strategy. Further, if, in future, our Promoters are unwilling to dilute its equity stake in our Company and do not, or is unable to, fund us, our growth may be affected. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated with our Promoter. For details of stake in our Company held by our Promoter, please see the section titled "*Capital Structure*" on page 91. There can be no assurance that our Promoters and Promoter Group will take actions that are in the best interest of our Company or that of the other shareholders.

77. *A single investor may acquire a controlling stake in our Company.*

A single entity or group of investors acting in unison may acquire Equity Shares to the extent that would allow it to control or strongly influence us. Such an entity or investor group would, subject to restrictions in the articles of association of our Company, be able to determine, or would have a disproportionate influence compared to other shareholders in, the election of the Board of Directors, management policies and the outcome of corporate transactions submitted to shareholders for approval. There can be no assurance that any future controlling shareholder(s) will have the same interests as any minority shareholder or will pursue the same strategies as the current management.

78. *Investors bear the risk of fluctuation in the price of the Equity Shares.*

There has been no public market for the Equity Shares prior to the Offer and the trading price of the Equity Shares may fluctuate after the Offer. The Offer Price of the Equity Shares in this Offer will be determined by our Company in consultation with the Book Running Lead Managers pursuant to the Book Building Process, and it may not necessarily be indicative of the market price of the Equity Shares after this Offer is complete. You may be unable to resell your Equity Shares at or above the Offer Price and, as a result, you may lose all or part of your investment. Following the Offer, the Equity Shares are expected to trade on the NSE and BSE; however, there can be no assurance that active trading in the Equity Shares will develop after the Offer or, if such trading develops, that it will continue. Investors may not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares.

In addition, the price at which the Equity Shares will trade after this Offer will be determined by the marketplace and may be influenced by many factors, including: our financial condition and the financial condition of the companies in the businesses we operate in; the history of, and the prospects for, our business and the sectors in which we compete; an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures; and the present state of our development.

Further, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

- 79. *Our Company and the Selling Shareholder may decide not to proceed with the Offer at any time before Allotment. If we and the Selling Shareholder decide not to proceed with the Offer after the Bid Opening Date but before Allotment, the refund of Application amounts deposited will be subject to our Company complying with our obligations under applicable laws.***

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer at any time before the Allotment. In the event that the Offer is withdrawn after the Bid Opening Date, or the Offer is unsuccessful for any reason, our Company will be required to refund all Application amounts deposited within 12 Working Days of the Bid Closing Date. Upon successful completion of the Offer, if refund orders are not dispatched within the time stipulated under the Companies Act, 2013, our Company and the Selling Shareholder shall be required to pay interest / penalty, as specified under the SEBI Regulations or the Companies Act, 2013, in proportion to the proceeds received by our Company by way of the Fresh Issue and the proceeds received by the Selling Shareholder by way of the Offer for Sale. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the BSE and NSE, which the Company shall apply for after Allotment.

- 80. *Investors in the Offer (other than retail individual investors) are not allowed to withdraw their Bids after the Bid Closing Date.***

In terms of the SEBI Regulations, investors in the Offer (other than retail individual investors) are not allowed to withdraw nor lower the size of their Bids at any stage. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the Bidders' demat account with depository participant could take approximately 7 to 10 working days or longer from the Bid Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of *force majeure*, material adverse changes in our business, results of operation or financial condition, or other events affecting the Bidders' decision to invest in the Equity Shares, would not arise between the Bid Closing Date and the date of Allotment of Equity Shares in the Offer. Occurrence of any such events after the Bid Closing Date could also impact the market price of the Equity Shares. The investors in the Offer (other than retail individual investors) shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the Bidders' ability to sell the Equity Shares after the Offer or cause the trading price of the Equity Shares to decline.

- 81. *You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Offer.***

The Equity Shares will be listed on the BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or demat accounts with depository participants in India, are expected to be credited within two working days of the date on which the Basis of Allotment is approved by the NSE and BSE. Thereafter, upon receipt of final listing and trading approval from the BSE and NSE, trading in the Equity Shares is expected to commence within approximately 12 working days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the BSE and NSE. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

Subsequent to listing, we will be subject to a daily 'circuit breaker' imposed by stock exchanges on which our Equity Shares are traded, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker would operate independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. Furthermore, operational errors by market participants could lead to severe movements in stock prices or indices what may lead to trading stoppages. A closure of, or trading stoppage on, either the BSE or the NSE could adversely affect the trading price of the Equity Shares.

The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

- 83. *There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and/or the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 84. *Our ability to attract foreign investors may be limited, which may adversely affect the market price of our Equity Shares post listing.***

Under the foreign exchange regulations currently in force in India, transfers and issue of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI and the sectoral policy prescribed in the FDI Policy. If the transfer and issue of shares is not in compliance with such pricing guidelines, reporting requirements, FDI Policy or falls under any of the specified exceptions, then the prior approval of the RBI and/or Government will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India may require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure

investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all. Any delay in an investor's ability to sell Equity Shares of the Company, this may also lead to reduced liquidity of our Equity Shares and may have an adverse impact on the market price of our Equity Shares post listing.

85. ***We may be required to raise additional capital in the future by further equity issuances, which will lead to dilution of equity and may affect holdings of our shareholders, the market price of our Equity Shares, or the incurrence of debt in order to satisfy our capital needs, which we may not be able to procure on acceptable terms, or at all.***

Our growth is dependent on having a strong capital base to support our activities. In addition to the Net Proceeds from the Fresh Issue, our existing debt and our internally generated cash flows, we may need other sources of financing to meet our capital needs, which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets or otherwise. We may need to raise additional capital from time to time, depending on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain a significant depletion in our existing capital base due to unusual operating losses or otherwise.

Future issuances of our Equity Shares or convertible securities may not be done on terms and conditions that are favourable to the then existing shareholders of our Company. Any such issuance could also dilute existing holders and adversely affect the market price of our Equity Shares and our ability to raise capital through additional issues of securities. In addition, any perception by investors that such issuances might occur could also affect the trading price of our Equity Shares. Further, as of October 1, 2014, we had granted 545,590 stock options under the ESOP Scheme. Any exercise of the stock options could dilute the holdings of our shareholders and could adversely affect the market price of our Equity Shares.

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

The disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur, may also adversely affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or incur substantial debt, or that the Company's shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under the Companies Act, 2013 any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained the approval of the government of India to issue shares without such rights. However, if the law of the jurisdiction in which you are located does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you under Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

87. ***Investors may be adversely affected due to retrospective tax law changes by the Indian government affecting our Company.***

Certain recent changes to the Income Tax Act, 1961 provides that income arising directly or indirectly through the sale of a capital asset of an offshore company, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India. The term 'substantially' has not been defined under the Income Tax Act, 1961 and therefore, the applicability and implications of these changes are largely unclear. Due to these recent changes, investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of the Equity Shares. In the past, there have been instances where changes in the Income Tax Act have been made retrospectively, there cannot be an assurance that such retrospective changes will not happen again.

88. *Significant differences exist between GAAP as applied in India and other accounting principles with which investors may be more familiar.*

Our financial statements are prepared in conformity with Indian GAAP. GAAP as applied in India differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and accounting standards with which prospective investors may be familiar with in other countries. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to our financial statements. As there are significant differences between GAAP as applied in India and IFRS and between GAAP as applied in India and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial statements in accordance with IFRS or U.S. GAAP instead of Indian GAAP. The significant accounting policies summarized in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company*" on page 285 has been applied in the preparation of our Indian GAAP consolidated financial statements. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP and how they might affect the financial information contained in this Draft Red Herring Prospectus.

89. *Public companies in India, including our Company, may be required to prepare financial statements under IFRS or a variation thereof, IndAS. The transition to IndAS in India is still unclear and we may be negatively affected by such transition.*

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Public companies in India, including our Company, may be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time adoption of Indian Accounting Standards" ("**IndAs**"). Recently, the ICAI has released a near-final version of the IndAS. The Ministry of Corporate Affairs of the Government, on February 25, 2011 and January 2, 2015, has announced that IndAS will be implemented in a phased manner. As at the date of this Draft Red Herring Prospectus, the MCA has not yet issued a notification regarding the date of implementation of IndAS. There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, IndAS has fundamental differences with IFRS and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our financial condition, results of operations, cash flow or changes in shareholders equity will not appear materially different under IndAS than under Indian GAAP or IFRS. As we adopt IndAS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. There can be no assurance that our adoption of IndAS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IndAS in accordance with the prescribed timelines may have a material adverse effect on our financial position and results of operations.

Prominent Notes

- Public issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Shares including a share premium

of ₹ [●] per Equity Share, aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,100 million by our Company and an Offer for Sale of up to 7,007,876 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder. The Offer and the Net Offer would constitute [●] and [●] of the fully diluted post-Offer paid-up capital of our Company.

- The net worth (excluding preference share capital) of our Company as of March 31, 2014 and September 30, 2014 was ₹ 1,101.41 million and ₹ 1,148.24 million, respectively.
- The net asset value per Equity Share was ₹ 23.53 and ₹ 24.54 as of March 31, 2014 and September 30, 2014, respectively, as per our Restated Financial Statements.
- The average cost of acquisition per Equity Share by our Promoters is as follows:

Name of the Promoter	Number of Equity Shares held	Percentage of holding (%)	Average cost of acquisition (in ₹ per Equity Share)
KPTL	35,850,000	72.97%	10.00
Mr. Aditya Bafna	2,762,500	5.62%	10.00
Mr. Shubhendra Kumar Bafna	2,211,500	4.50%	9.80

Note: The average cost of acquisition has been calculated on the basis of the issue price of the Equity Shares

For further details, see section titled “*Capital Structure*” beginning at page 91.

- There are no financing arrangements pursuant to which our Promoters, Promoter Group, Directors or their immediate relatives have financed the purchase of Equity Shares by any other person during the six months preceding the date of this Draft Red Herring Prospectus.
- There has been no change in our Company’s name in the last three years preceding the date of this Draft Red Herring Prospectus.
- Except as disclosed in the section titled “*Financial Statements – Annexure 20*” at page 282, there have been no transactions between our Company and our Group Entities during the last Fiscal.
- Except as disclosed in the sections titled “*Financial Statements- Annexure 20*” and “*Our Group Entities*” beginning at pages 282 and 222, respectively, none of our Group Entities are interested in our Company.
- Any clarification or information relating to this Offer shall be made available by the BRLMs 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. The BRLMs be obligated to provide information or clarifications relating to this Issue.
- Investors may contact the BRLMs, who have submitted the due diligence certificate to SEBI or the Registrar to the Offer for any complaints pertaining to this Issue.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has been extracted from a report titled “Industry Report on Key Aspects of Agricultural Supply Chain in India” dated January 19, 2015 prepared by CRISIL Limited (“CRISIL”) (“CRISIL Industry Report”). The data from the report may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Offer has independently verified the information provided in this chapter. Industry sources and publications referred to in this section generally state that the information contained therein has been obtained from sources generally believed to be reliable but that their accuracy, completeness and underlying assumptions are not guaranteed and that their reliability cannot be assured, and that investment decisions should not be based on such information. Data cited from CRISIL with respect to a year, if stated as a Fiscal year, refers to the 365 day period ended on 31 March of the relevant year under reference.

CRISIL Research, a division of CRISIL Limited (CRISIL), has advised that while it has taken due care and caution in preparing the CRISIL Industry Report based on the information obtained by CRISIL from sources which it considers reliable, it however does not guarantee the accuracy, adequacy or completeness of the CRISIL Industry Report (or the data therein) and is not responsible for any errors or omissions or for the results obtained from the use of the CRISIL Industry Report (or the data therein). Further, the CRISIL Industry Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Industry Report. CRISIL has specifically disclaimed any liability whatsoever to the subscribers / users / transmitters / distributors of the CRISIL Industry Report.

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Overview of Indian Economy and Agriculture Sector in India

Overview of the Indian economy in the last decade

The Indian economy experienced growth rates of over 9% during the period of Fiscal 2006 to Fiscal 2008, which was primarily attributable to the strong performance of services and industry sectors. The high growth period was followed by a dip in Fiscal 2009, which was mainly an effect of the financial crisis. Positive response to monetary and financial stimulus led the economy back towards strong growth during Fiscal 2010 and Fiscal 2011. However, the growth rate again witnessed a fall during the subsequent years starting from Fiscal 2012, during which period the growth rate fell to 5%. Decline in investments in key sectors was the major reason behind the slowdown.

Overview of the agricultural sector in India

India essentially has been an agriculture based economy. Around 60% of the country’s population depends directly on agriculture. With 13.9% share, the sector is one of the most important contributors to the national gross domestic product (“GDP”) along with service and industry.

The share of agriculture and allied sectors in the national GDP was around 41% in Fiscal 1971 falling to around 29% in Fiscal 1991 and touched around 22% at the beginning of the 21st century. This trend is attributed to a gradual shift in India from being an agriculture based economy to an industry and services based one. During the past decade, the share of agriculture has decreased to around 14% in Fiscal 2014.

Production of food grains

India's food grain production (rice, wheat, coarse cereals, and pulses) is estimated to have reached 264.80 million metric tonnes ("MMT") during Fiscal 2014. Commercial crops performed slightly better than food grains in terms of growth in production. Food grain production grew at 2.5% compounded annual growth rate ("CAGR") during the period between Fiscal 2009 to Fiscal 2014, while growth for oil seeds was approximately 4% and cotton was 10%.

India's export of agri-commodities

The trend in agricultural exports was constant until Fiscal 2011 after which it increased. In Fiscal 2013, the total quantity of agricultural exports increased to 30 MMT as against 19 MMT in Fiscal 2012 and dropped marginally in Fiscal 2014.

Imports of agri-commodities

Indian agricultural imports have exhibited a fluctuating trend over the years. The imports have been averaging at 5.6 MMT since Fiscal 2010. Total agricultural imports are estimated at 5.5 MMT for Fiscal 2014. The highest contributor to agricultural imports is pulses, accounting for 58% of total imports during Fiscal 2014, followed by dry fruit accounting for 28%. Peas, chick peas, beans, lentils, kidney beans, tur and dried leguminous vegetables are the key pulses imported by India. Canada, Myanmar, Australia, United States and Russia are the major exporters of pulses to India.

Agri-Warehousing Market in India

Overview of the agri-warehousing sector

Warehousing is an important part of agriculture supply chain to prevent losses arising out of inefficient storage and to provide farmers with a convenient instrument of credit. The purpose of warehousing is to provide a storage area in the region of production at the time of surplus and at consumption centres during the off season. Warehouses also function as spot markets and delivery points for commodities traded on commodity exchanges. With the implementation of the National Food Security Act 2013, warehousing capacity needs to be enhanced considerably to cope with increased requirement of supplying agricultural produce. In addition, warehouses are also required to provide space for produce and processed food products.

Agriculture warehousing includes warehousing of food grains, fruits and vegetables, and commercial crops such as cotton, jute, sugar and oilseeds. Most of the warehousing facilities in India caters to the storage of food grains only, on account of their higher share in total agricultural production, seasonality and importance in daily consumption. Other major commodities that use agriculture warehouses are fruits and vegetables, jute, oil seeds, sugar and cotton.

Dry agri-warehousing capacity in India is around 125 MMT

According to the Government, total storage capacity for agricultural produce and inputs in the country is estimated at around 125 MMT as of Fiscal 2014. Warehousing in India saw a growth of CAGR 6% from Fiscal 2005 to Fiscal 2013. The agriculture warehousing capacity in India has increased to 125 MMT in Fiscal 2014 from 80MMT in Fiscal 2006.

Public warehousing capacity, including FCI, Central Warehousing Corporation ("CWC") state warehousing corporations, state civil supplies and co-operatives grew at a CAGR of 5% between Fiscal 2006 to Fiscal 2014, whereas, private warehousing capacity grew faster at a CAGR of 9% during the same period.

Of the total warehousing capacity, around 69% is owned by government agencies, which is mostly used for storing around 61.5 MMT of food grain required for public distribution. The balance 31% of total capacity is distributed among private entrepreneurs, co-operative societies, farmers, etc.

Estimated demand–supply gap in dry warehousing is around 60.5 MMT in Fiscal 2014

According to Progress Harmony Development (PHD) Research Bureau, the 4th advanced estimates of food grains production in Fiscal 2014 is about 265 MMT. NABARD estimates that around 70% of the total crop produced, requires warehouse storage. Hence, around 185 MMT is the required storage capacity (if seasonality of crop production is not taken in to consideration). According to the Department of Food and Public Distribution, the total storage capacity available as of March 2014 was 125 MMT.

About 4% to 6% of food grains procured are damaged due to improper storage facilities

A significant quantity of crop produced is wasted due to inefficiencies in warehousing infrastructure. According to the Ministry of Food Processing Industries (“MOFPI”), around 4% to 6% of food grains and 18% of fruits and vegetables are wasted annually. Majority loss in quantity and quality of food grains occur during post-harvest handling, storage and transportation. The loss is caused by moisture, variation in temperature and attack by biological agents. The Planning Commission had estimated post-harvest loss at 4.75% in Fiscal 2013.

Cold storages (Temperature controlled warehouses) deficit was estimated at around 31 MMT in Fiscal 2013

As per MOFPI, nearly 18% of India’s fruit and vegetable production is wasted annually. This translates into a significant loss of about 44 MMT of fruits and vegetables in Fiscal 2014. According to Central Institute of Post-Harvest Engineering and Technology (CIPHET), the cold storage requirement in 2012 was around 61.1 MMT and the available capacity was around 30.1 MMT. It is clear that shortage in cold storage is a key factor contributing to the losses observed in fruits and vegetables in addition to other factors such as temperature-controlled transportation. Overall, average capacity utilisation rates in Fiscal 2014 are estimated to be at 68% to 70%.

Demand for Temperature controlled warehouses to grow at 8-9% till Fiscal 2020

Multi-purpose cold storage segment, which is a key segment of the temperature controlled warehouse market, is expected to remain the primary growth driver, with volumes growing at 10% to 12% CAGR till Fiscal 2020. During this period, overall demand (in volume terms) is expected to grow at a CAGR of 8-9% based on an increase from 30.1 MMT in Fiscal 2014 (estimated) to 47.8 MMT in Fiscal 2020 (projected). The share of multi-purpose cold storages in the overall demand for cold storage is expected to increase to 37% in Fiscal 2020 from 30% in Fiscal 2014.

Total investment of ₹ 285 billion required for additional agricultural (dry and cold storage) warehousing capacities

Out of total crops, food grains production was around 265 MMT and fruits and vegetables was around 250 MMT in Fiscal 2014. The share of warehoused demand for food grains was around 81%, whereas the share of demand of fruits and vegetable was only 8% of the total warehouse demand. Hence the majority of the capacity addition required is for food grains.

It is estimated that around ₹ 105 billion for dry warehouses and ₹ 180 billion for cold storage warehouses will be required towards construction investment (excluding land cost) in order to achieve the Government’s 12th Five Year Plan targets. The Government has already allocated around ₹ 40 billion, which addresses a significant part of present deficit.

Agricultural Produce Procurement and Marketing in India

Overview

The APMC Act was enacted by state Governments and Union Territories to ensure farmers receive a fair price for their produce. Under the APMC Act, all the produce was to be sold through government designated APMC centres or *mandis* through auction.

Mandi is a public market yard set up under the APMC Act. The trade of agricultural produce must take place through the *mandi* framework for the area designated under the *mandi*. Each *mandi* notifies, *inter-alia*, the commodity it deals with and its area of operation.

Under the *mandi* framework, the farmers bring their produce to the *mandi*'s physical location where it is auctioned. In many cases, farmers sell it to *arthiya* or middlemen who bring it to market yards. The produce, through auction, is sold to traders registered with the *mandi* who then sell it to companies, wholesalers or retailers. In every *mandi*, a transaction is subjected to market tax as well as market cess. The cess money supports building *mandi* infrastructure such as sorting, grading, storage facilities, *etc.*

Currently, there are more than 7,000 such markets in the country. Most of these regulated markets are wholesale markets. Other than these markets, there are also around 30,000 rural periodical markets.

Shortfall in the number of mandis across states

Farmers typically have to travel long distances to bring their produce for auction at the nearest *mandi*. According to recommendations by National Farmers Commission, availability of markets should be within a 5 kilometre radius (approximately 80 sq. kilometres). Accordingly, there is an estimated shortfall of *mandis* in many states as depicted in the map below. It is clear that Andhra Pradesh, Maharashtra, Madhya Pradesh, Rajasthan and Jammu & Kashmir fall short of the National Farmers Commission's recommendations.

If the produce is not sold on the same day, the farmers have to stay overnight or come back the next day. This means extra expenses and loss in quality of commodities. This emphasizes the importance of warehousing as it allows the farmer to avoid distress sales. Farmers can access the warehousing facility to minimize their transportation costs as well as spoilage. This will also give farmers more bargaining power with middlemen.

Agri-Finance and Collateral Management Industry

Financing mainly consists of pre and post-harvest financing

The agriculture sector is generally unorganized with a majority of agri-production activities being carried out by small farmers, who have small land parcels and low investment capacity. According to the Agriculture Census in Fiscal 2011, out of 138 million farm holdings in the country, around 117 million were small and marginal holdings. Consequently, the dependence on finance for production and investment in equipment is high in the sector. Production finance or pre harvest finance consists of both, working capital / production finance and long term or asset finance (where tenure is more than 18 months). On the other hand, post-harvest finance typically covers only working capital.

Post-harvest financing is based on underlying commodities

The agriculture value chain can be defined as the flow of agricultural produce from the farmer to the consumer, i.e. "from farm to fork". Once the farmer cultivates and harvests the crop, he can either store it in a warehouse or sell it to traders. The traders can either carry out the primary processing and store the processed crop at a warehouse or sell it to secondary processors, wholesalers and other intermediaries. If the produce is sold to wholesalers or intermediaries, they can then sell it to retailers or retail chains.

Post-harvest finance is extended against warehouse receipts and has an underlying commodity to support it while pre-harvest finance is extended based on the balance sheet and the credit history of the borrower. Post-harvest financing reduces the risk associated with lending to farmers by providing collateral to the financial institutions. Therefore a financial institution does not have to rely on poor balance sheets, weak credit histories or land with unclear titles for judging the risk associated with a borrower. It can simply sell the pledged crop if the borrower defaults and in a majority of cases is able to recover the loans given. Consequently, industry participants report that the non-performing assets (NPAs) in the post-harvest finance industry are very low at nil to 0.25%.

Growth in post-harvest finance

Loans sanctioned against agri-commodities were ₹ 0.5 to 0.6 billion in Fiscal 2003 and are estimated to have grown to ₹ 330-360 billion in Fiscal 2015. Going forward, as crop production increases, agri-commodity prices rise and the penetration of finance grows, the post-harvest finance market is expected to grow by 15% to 16% annually between

Fiscal 2014 and Fiscal 2020 to ₹ 720 to 770 billion. The post-harvest finance industry has grown since the advent of collateral managers as collateral based lending is relatively safer when compared to lending based on weak balance sheets or weak credit records. Additionally, the role of the collateral manager has helped to reduce the operational risks associated with post-harvest financing.

Collateral management has eased access to funds for farmers

Collateral management companies have made it easier for farmers to access credit by leveraging their crop produce as collateral and for financial institutions to extend credit to farmers on the basis of the collateral offered.

A collateral management company typically facilitates financing against warehouse receipts. The warehouse issues warehouse receipts to farmers or traders for the crop stored there while the collateral manager audits and inspects the crop and issues a storage receipt against which loans can be availed. Apart from managing and checking the crop, which has been pledged as collateral at regular intervals, many collateral managers also provide allied services like insuring the crop, testing and verification, and providing regular updates on the condition of the crop, its market value and commodity research services. In turn they receive a fee from the financial institutions.

Overview of primary processing

Primary processing is the first step in the processing of agricultural produce without changing its physical form. This involves basic steps like cleaning, grading, sorting, packing, *etc.* to make it fit for consumption. Secondary and tertiary processing industries usually deal with higher levels of processing where new or modified food products are manufactured.

Primary processing is also important because it has the advantage of slowing the decay process of agri-commodities. Once the agricultural produce is harvested, it begins to decay which makes it unfit for consumption after a certain amount of time. Processing delays the decay and allows for storage for a longer duration. This helps the farmers as it enables food to be stored for use in times of food shortage without compromising on the quality of the produce. Further, it enables farmers to sell their produce with some delay when prices increase.

Primary processing also helps add value to raw produce, which fetch higher returns. The food processing in general is labour intensive and also accounted for 12% of the employment generated in the registered factory sector in Fiscal 2012.

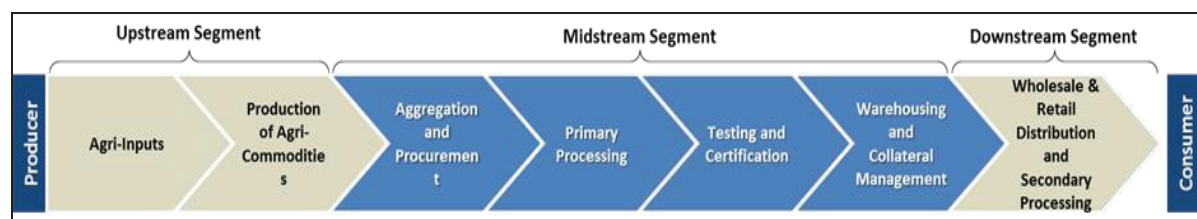
SUMMARY OF BUSINESS

Overview

Our Company undertakes an array of activities in the post-harvest value chain for agri-commodities based on an integrated business model. Our activities include warehousing, procurement, primary processing, trading, collateral management, funding facilitation, funding, testing & certification, and pest management in relation to agri-commodities. Our activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Through our integrated business model, we believe that we are able to create value in the post-harvest value chain.

Our Company commenced operations in January 2007 under our founding Promoters, Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna, to explore business opportunities to enhance value and efficiency in the agriculture sector, and undertake activities in an organized manner. Shortly thereafter, in March 2007, Kalpataru Power Transmission Limited (“KPTL”), one of our Promoters, acquired majority stake in our Company, and provided us with financial backing and a vision to scale our operations and adopt a holistic approach to the post-harvest value chain for agri-commodities.

The value chain for agri-commodities can be broadly divided in the following three segments: (i) upstream segment, (ii) midstream segment, and (iii) downstream segment. The upstream segment comprises activities up to farming and harvesting of agri-commodities (“**Upstream Segment**”). The midstream segment represents all activities inter-linking agricultural produce prior to its wholesale distribution (“**Midstream Segment**”). The downstream segment includes wholesale and retail distribution and secondary processing of agri-commodities (“**Downstream Segment**”). A diagram depicting this segmentation of the value chain for agri-commodities is as follows:



Our operations are focused on the Midstream Segment and wholesale distribution of agri-commodities and are aimed at enhancing value and efficiency for its participants primarily through aggregation of agri-commodities and our integrated business model. Our activities are broadly classified as follows: (i) warehousing services (dry and cold); (ii) commodities procurement, primary processing & trading; (iii) collateral management & funding facilitation; and (iv) testing & certification and pest management services. Each of these activities are synergistic with each other and provide our customers the convenience of availing various services under one roof.

We leverage our wide network of warehouses and last mile access towards undertaking procurement, trading, and collateral management & funding facilitation activities, as well as primary processing activities. We believe that our ability to procure, store, preserve, and undertake primary processing as well as trade in agri-commodities allows us to function as a supply chain manager.

As a part of our warehousing services, we offer dry and cold storage space, which is supported with our weighing facilities. As of November 30, 2014, our Company manages and operates 149 warehouses through a hub and spoke model across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, with a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area.

The warehouses operated by our Company are either owned (“**Owned Warehouses**”) or hired by our Company (“**Hired Warehouses**”) or are under a public-private-partnership (“**PPP**”) (“**PPP Warehouses**”).

We manage and operate warehouses on a PPP basis pursuant to an arrangement with Rajasthan State Warehousing Corporation (“**RSWC**”), amongst others, as detailed below. Further, our Company is accredited with the National Commodities and Derivatives Exchange Limited (“**NCDEX**”) for providing warehousing and assaying services, and certain of our warehouses are registered with the Warehousing Development Regulatory Authority of India (“**WDRA**”), which enables us to issue negotiable warehouse receipts.

In relation to our procurement activities, we assist third-parties dealing in agri-commodities to procure physical stocks in large volumes within the specified price range and with uniformity in quality, from *mandis*, auction sites, farmers and traders & aggregators based on the quality and grades specified by our clients. We assist RSWC in fulfilling its obligations for procurement of agri-commodities.

Further, we believe we have developed an understanding of certain agri-commodities and their demand-supply dynamics through our ‘on ground’ presence. Accordingly, our Company caters to the domestic and international markets for these commodities, which include cumin, mustard, bengal gram, ground nut, coriander, fenugreek and certain dry fruits. We believe that our procurement capabilities and in-house primary processing facilities add value to our domestic and international clients.

Our Company facilitates financing primarily against collateral of stocks stored in our warehouses, by acting either as a business facilitator or as a manager of the collateral or both. Moreover, our Company has recently acquired a non-banking financial company (“**NBFC**”), Punarvasu Holding and Trading Company Private Limited (“**PHTCPL**”) with the objective of directly providing funding facilities to market participants in the value chain for agri-commodities.

In addition to the above, our Company also offers testing & certification services, which helps in determination of quality of the agri-commodities we deal in. Our testing & certification services are offered through our: (a) Analysis and Certification Laboratory at Jodhpur, Basni Agricultural Produce Market Yard (“**Central ACL**”), which is ISO 9001 : 2008 and ISO / IEC 17025 : 2005 (NABL) certified, and (b) 36 satellite testing & certification laboratories across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra. Our Central ACL is accredited with NCDEX for providing assaying services. Further, our Company also offers pest management services, which helps in preserving and maintaining the life of the agri-commodities we deal in. Our Company has necessary equipment, facilities and license to provide pest management services at most of our warehouses.

Our revenue and EBITDA for the Fiscals 2010, 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014 is as mentioned below:

						(in ₹million)
Particulars	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Total Revenue	886.28	1,365.95	2,039.53	2,432.14	3,779.76	1,399.22
EBITDA	22.94	180.27	238.20	403.41	666.68	279.50

Our Company has been bestowed with several awards and recognition, including the following recent awards:

- CII Supply Chain and Logistics Excellence Awards 2013 for Exemplary Position under the Agri Warehousing Category;
- Excellency in Warehousing – Best Warehousing Company by CPAI in association with the Forward Markets Commission;
- India SME Excellence Award 2014 in Service Sector by Small and Medium Business Development Chamber of India;
- Brand Excellence in Supply Chain and Logistics Sector by Asian Leadership Awards; and
- Best Exporter of the year 2014 by ASSOCHAM (India) at the Food Tech Implementation Award.

For further details, please see the section titled “*History and Certain Corporate Matters*” on page 189.

Competitive Strengths

We believe that the following are our core competitive strengths:

Integrated business model

Our Company has an integrated business model in the Midstream Segment of the value chain and for the wholesale distribution of agri-commodities, which encompasses an array of activities aimed at a wide spectrum of market participants, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Our network of 149 warehouses across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra acts as the backbone of our integrated business model. We leverage this warehousing network with our 'on ground' presence, last mile access, understanding of certain agri-commodities & their demand-supply dynamics and relations with market participants to undertake procurement, trading, collateral management & funding facilitation activities as well as our primary processing activities.

Our participation across the Midstream Segment and in the wholesale distribution of agri-commodities and our easy access to points of origin of various agri-commodities allows us to identify and capitalize on business opportunities in the post-harvest value chain. We believe that our ability to procure, undertake primary processing, store, preserve, facilitate funding and trade in agri-commodities in an integrated manner allows us to enhance value and efficiency through aggregation of agri-commodities, and function as a supply chain manager.

Our integrated business model and role as a supply chain manager gives us a strategic advantage for growth and stability of our business, and also enables us to widen our revenue base, which includes cross-selling our various services to our customers, who have the added convenience of availing various services under one roof.

High Quality Owned Warehouses and Robust Warehousing Operations

Our Company has made significant investments to create quality infrastructure at our Owned Warehouses and robust IT infrastructure and operations across all our warehouses. Our Company has a project management team to oversee the setting up of our Owned Warehouses.

24 of our Owned Warehouses are scientifically designed and equipped with modern infrastructure conforming to WDRA standards at a minimum. These Owned Warehouses are designated by us as being 'Agri-Logistics Parks' ("Agri-Logistics Parks").

Each Agri-Logistics Park includes some or all of the following features depending on the type of warehouse (dry or cold):

- pre-engineered structures, which can be moved from one location to another;
- insulated roof and side claddings, which helps in maintaining the temperature inside the warehouse;
- turbo or ridge ventilators to improve aeration for better preservation of the goods stored;
- testing & certification laboratories for determining quality;
- electronic weighbridges having a capacity of 60 / 100 metric tonnes for measuring quantity;
- fumigation and spraying facilities for pest management;
- lifts for taking commodities in large quantity to different floors;
- fire-fighting systems with hydrants and water reservoirs, fire extinguishers and sand buckets; and
- SAP linked on-line data entry for recording and monitoring stock movement and for issuance of warehouse receipts from the location of the warehouse itself.

Further, as of November 30, 2014, the total storage capacity of our Agri-Logistics Parks is around 2.89 million sq. ft. in terms of storable floor plate area, with an average storage capacity of around 120,538 sq. ft. per Agri-Logistics Park in terms of storable floor plate area.

Our warehousing operations are designed to maximize efficiency, while reducing risks and controlling costs by following standard operating procedures carried out by trained professionals and supervised by experienced staff. Our warehouses are SAP linked, which enables us to carry out de-centralized data entry electronically, record the movement of stock and issue warehouse receipts from the warehouse location itself after due-diligence and clearance from our corporate office in Mumbai. Further, we can centrally monitor all transactions from our corporate office in Mumbai. Moreover, we have round the clock security at our warehouses and are also taking step towards installing CCTV cameras at our Agri-Logistics Parks to further strengthen our internal controls system. We also conduct detailed internal audits on a regular basis through independent chartered accountants and/or our internal audit teams for, amongst other, physical verification of stocks and inventory at all locations.

Accordingly, as a result of the infrastructure maintained by us at our Owned Warehouses and owing to our robust, streamlined and computerized warehousing operations (amongst other factors), as of November 30, 2014, our Company is accredited with NCDEX for providing warehousing and assaying services.

Growth & capital efficiency through diversity in the nature of rights and hub & spoke model

Hub and spoke model aided by strategically located warehouses

Our warehousing business is based on a hub and spoke model. We carefully select the location of our warehouses at a macro-level to ensure a contiguous regional spread (e.g. the states of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh) and at a micro level to ensure proximity to areas of harvest, *mandis* or points of transport connectivity, amongst other factors.

Our Agri-Logistics Parks function as central hubs of operations within a defined region with proximity to *mandis* or points of transport connectivity, including highways (“**Hub Warehouses**”). The Hub Warehouses are equipped to support almost all of the businesses activities we offer or undertake in addition to our warehousing service. As of November 30, 2014, we have 24 Agri-Logistics Parks, which are our Hub Warehouses.

Our remaining 125 warehouses (i.e. our Owned Warehouses, which are not Agri-Logistics Parks, Hired Warehouses or PPP Warehouses), which feed into our Hub Warehouses are designated as our ‘spoke warehouses’ (“**Spoke Warehouses**”). Our Spoke Warehouses are strategically located closer to areas of harvest and are conveniently accessible to a Hub Warehouse. Hence, we can efficiently and conveniently leverage upon a Hub Warehouse to offer our services at our Spoke Warehouses, even if the same is not available at the Spoke Warehouse. Moreover, our Spoke Warehouses enable us to get closer to farmers and other market participants, and through our integrated business model to capitalize on business opportunities available across the Midstream Segment of the value chain and for the wholesale distribution of agri-commodities from the points of origin.

Our Spoke Warehouses widen our coverage area, provide us with additional storage space (i.e. business capacity) and growth and expansion opportunities, while optimally utilizing our resources, enhancing efficiency and rationalizing costs.

Optimum mix of Owned Warehouses, Hired Warehouses and PPP Warehouses

We believe we have an optimum mix of Owned Warehouses, Hired Warehouses and PPP Warehouses, which supports our hub and spoke model. Our diverse nature of rights in our warehouses (on an ownership basis or a hiring or PPP arrangement) enables us to enhance capital efficiency and balance stability with growth. This business model is a key strength as well a principal business strategy for us. Our Owned Warehouses provide us with the safety and security of having dedicated storage space, which also assures our clients and other market participants of our stable presence and our long term vision in the business through investments in infrastructure. On the other hand, our Hired Warehouses and PPP Warehouses provide us with additional capacity for growth without undertaking incremental capital investments. Further, our present PPP(s) also results in business opportunities such as procurement and warehousing business for us, which are associated with the government agencies involved.

Through a combination of Owned Warehouses, Hired Warehouses and PPP Warehouses, we manage and operate a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area, with an average storage capacity of around 63,022 sq. ft. per warehouse in terms of storable floor plate area. Thus the scale of storage capacity we enjoy in our warehouses, our hub and spoke model and the diverse nature of rights in our warehouses increases our efficiency and profitability and enables us to leverage on economies of scale.

Moreover, in relation to our PPP Warehouses, our Company has been an early adopter of PPPs relating to agri-warehousing (*source: CRISIL Industry Report*). We have demonstrated our ability in managing and operating warehouses under a PPP basis in relation to our memorandum of understanding (as amended) dated March 5, 2010 with the RSWC ("**RSWC MoU**"), and our agreements with the Rajasthan State Agricultural Marketing Board ("**RSAMB**") ("**RSAMB Agreements**"). Our Company entered into the RSWC MoU to manage and operate RSWC's (present and future) warehouses across 38 specified locations in the state of Rajasthan. The RSWC MoU is based on a revenue-sharing model and is for a term of 10 years, which can be extended with mutual consent. For additional details about the RSWC MoU and RSAMB Agreements, please see the sub-section titled "*Our PPP Warehouses*" on page 170.

As of November 30, 2014, our Company manages and operates 75 warehouses of RSWC at 38 specified locations, which provides for around 3.80 million Sq. ft. in terms of storable floor plate area of our total storage capacity. Any additional warehouses acquired, developed or hired by RSWC at these 38 specified locations would provide us with additional storage capacity and related business opportunities.

The storage capacity utilization level at the RSWC Warehouses (as defined) was at 47.74% in Fiscal 2009. On March 5, 2010 our Company entered into the RSWC MoU and for Fiscal 2010, the utilization level at the RSWC Warehouses was at 79.55%. For the eight months period ended November 30, 2014, the utilization level at the RSWC Warehouses was at 107.73%. We have been able to achieve a utilization level of over 100% based on the mix of commodities stored and through efficient space management by stacking commodities in a scientific manner.

Our past performance and track record with RSWC provides us with a platform to establish such opportunities with other state warehousing corporations and other government agencies.

Our Promoters and professional management

The business of our Company is backed and driven with the strengths, expertise and ability of all our Promoters. Further, one of our Promoters, KPTL, has mentored the management of our Company over the years, and has also financially backed our Company from time to time. Our Promoters have played an important role in the growth of our Company.

For further details in relation to our Promoters and the experience of our key management personnel, please see the sections titled "*Our Promoters and Promoter Group*" and "*Our Management*", on pages 216 and 199, respectively.

We are managed by an experienced professional team of senior managers with management and operational experience in the warehousing and agri-commodities sector. Our experienced management team brings us industry experience and knowledge of the warehousing and agri-commodities sector. We believe that our senior management's experience has played a key role in the growth of our business and in the development of procedures and internal controls. In addition, the skills and diversity of our senior management team gives us flexibility to respond to changes in the business environment. Our management, supported by a capable pool of employees, will continue to be an important driver of growth and success in all of our existing and new business ventures.

Proven track record

Over the years, our Company has witnessed steady growth in its warehousing operations. As on March 31, 2007, we managed and operated five warehouses, which has grown to 149 warehouses as of November 30,

2014. Further, our total storage capacity has grown from 163,870 sq. ft. as on March 31, 2007 to around 9.39 million sq. ft. in terms of storable floor plate area as on November 30, 2014.

With respect to our Owned Warehouses, as on November 30, 2014, we managed and operated 27 Owned Warehouses with a total storage capacity of 3.03 million sq. ft. in terms of storable floor plate area. The following table indicates the trend in the number and storage capacity of our Owned Warehouses as on March 31 of Fiscal 2012, 2013 and 2014 and November 30, 2014:

Particulars	As on March 31, 2012	As on March 31, 2013	As on March 31, 2014	As on November 30, 2014
Number of Owned Warehouses	15	18	19	27
Total Storage Area of Owned Warehouses (capacity in million sq. ft. in terms of storable floor plate area)	1.32	1.88	1.99	3.03

Over the years, besides consistently growing our warehousing service, we have expanded our scope of activities by leveraging on our warehousing infrastructure resulting in additional revenue streams through our integrated business model.

Consequently, we have consistently recorded growth in our EBIDTA, with an increase of ₹ 486.41 million from ₹ 180.27 million in Fiscal 2011 to ₹ 666.68 million in Fiscal 2014, representing a CAGR of 54.64%.

Thus, we believe our Company has demonstrated an ability to create value and efficiency through an established track record of performance and growth.

Strategies

Expanding our warehousing business through our hub and spoke model

We are exploring expansion opportunities in Rajasthan, Gujarat, Madhya Pradesh and Maharashtra; and a foray into the states of Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh. We propose to undertake our expansion plans in a phased and systematically planned manner and with a contiguous approach from one region to another.

Our proposed expansion plans in Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh will be primarily of the nature of our Hub Warehouses, which will provide further scope and opportunity for growth and for scaling expansion by way of addition of Spoke Warehouses through hiring and PPP arrangements. Further, we will continue to explore opportunities to maintain a mix of Owned Warehouses, Hired Warehouses and PPP Warehouses in order to enhance capital efficiency and balance stability with growth.

In relation to our proposed expansion plans, we have, amongst other things, engaged an external consultant, CRISIL Limited, who has advised and assisted us in preparing a detailed project report. In the detailed project report, numerous factors have been systematically and comprehensively analyzed for the purpose of short listing 20 locations for setting up dry and/or cold warehouses in the states of Gujarat, Maharashtra, Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh. In this regard, the following, amongst other, factors have been analyzed by way of assigning a materiality based weightage thereto: business opportunities based factors include cropping pattern and crops requiring storage, capacity utilization, growth rate of demand for warehousing business, export activity, and association with commodities exchanges; and entry barrier based factors include land cost and competition.

Further, our Company has submitted a PPP proposal to the Maharashtra State Warehousing Corporation to manage and operate their warehouses under the Swiss challenge method. The Maharashtra State Warehousing Corporation is still to award a contract in this regard. Our Company has also participated in a tender floated by

the Odisha State Warehousing Corporation, and is also exploring PPP opportunities with other state warehousing corporations.

Furthermore, as of November 30, 2014, we manage and operate eight cold storage warehouses with a total storage capacity of around 739,549 sq. ft. in terms of storable floor plate area. We also endeavour to grow our cold storage warehousing capacity as well in the future.

Strengthening our integrated business model

Over the years, our Company has developed an integrated business model aimed at a wide spectrum of market participants. Going forward, our Company will continue to strengthen our integrated business model by: (a) growing the scale of operations of our activities, including by growing our presence in the markets we are already operating in, (b) undertaking new activities and service offerings, (c) widening our customer base, and (d) entering into new markets.

Our objective is to continue to target the entire Midstream Segment value chain and wholesale distribution of agri-commodities from the points of origin by leveraging our integrated business model and presence as a supply chain manager. Towards this end, our Company is taking several steps including the recent acquisition of an NBFC, setting up a primary processing plant at Netra, Rajasthan, and working towards providing private *mandi* services.

In addition, our testing & certification and pest management services are an integral part of our business as these enable us to determine the quality and preserve and maintain the life of the goods we deal in. At present our testing & certification and pest management services are generally utilized either in relation to our in-house service offering and activities and/or in relation to our accreditation with NCDEX. Whilst these services are expected to grow in line with an expansion in our business, we also propose to offer these services on a third-party basis (i.e. to customers, who are not our warehousing customers).

Our Company also endeavours to continue to develop and nurture our existing relations with market participants, including farmers, and traders & aggregators, government agencies, banks and commodities exchanges as well as nurture new ones.

Collateral management and funding

As a part of our collateral management & funding facilitation activities, our Company currently facilitates financing primarily against collateral of the stocks stored in our warehouses by acting as a business facilitator or as a manager of the collateral or both. In this regard, our Company works with various banks and financial institutions as well as with market participants dealing in agri-commodities and enables such market participants to source funding from these banks and financial institutions.

Funding by banks and financial institutions against warehouse receipts (which acknowledges deposit of goods in a warehouse for storage and title and ownership thereto) obviates the need for the lender to manage the physical stocks involved. We believe that the registration obtained for some of our warehouses with the WDRA, which enables us to issue negotiable warehouse receipts (as compared to non-negotiable warehouse receipts, which can be issued even without such a registration), enhances the value of our collateral management services as well as our warehousing service as the negotiable warehousing receipts issued by us can be traded and funded against by banks and financial institutions.

Going forward, we envisage growing our collateral management services and also plan to undertake lending activity, considering the value of goods stored in our warehouses alone, in the month of November 2014, was ₹ 31,675 million (approximately) in terms of the value thereof declared to our insurers in relation to the insurance cover maintained by our Company. For further details regarding our insurance cover, please see the sub-section titled “Insurance” on page 177.

Towards this end, our Company recently acquired PHTCPL. PHTCPL is registered as an NBFC with Reserve Bank of India (“RBI”) and is a wholly owned subsidiary of our Company. The object of acquiring PHTCPL is

to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses or warehouses approved by PHTCPL, the quality of which can be tested and certified at our in-house laboratories or laboratories approved by PHTCPL. Further, PHTCPL has entered into an 'e-pledge facilitation agreement' dated February 5, 2015 with NCDEX to lend against the goods which can be traded on the NCDEX. For additional details about PHTCPL, please see the sub-section titled "*Collateral management and funding facilitation*" on page 159.

Primary processing activities

Our Company undertakes primary processing of agri-commodities on a captive basis in relation to its commodities procurement and trading activities. We believe that our in-house primary processing facilities add value to our domestic and international clients, as it enhances the marketability of the stocks traded.

In this regard, we have dedicated space at most of our Owned Warehouses. In addition, we have a cleaning, mechanical grading, and decorticating unit at our warehouse at Salawas, Jodhpur. We also offer such space to our warehousing customers, who can undertake primary processing of their goods (grading and sorting) at the warehouse itself before storage; and we intend to offer such services in the future.

Moreover, our Company is at an advanced stage of setting up a primary processing plant at Netra, Rajasthan with modern equipment and technology, which will replace our existing unit at Salawas, Jodhpur. A total investment of ₹ 476.60 million is being made to set up this plant and it is expected to be commissioned before June 30, 2015. The plant, once operational, will be able to undertake primary processing of agri-commodities such as cumin, sesame and ground nut and others such as fennel, fenugreek and coriander. This plant is strategically located as Rajasthan accounted for 38.43% of the total cumin production of India (as projected for the year 2011-2012 by the SpBI) and 17.82% and 13.14% of the total sesame and ground nut production in India, respectively (for the year 2012-2013 as per the Directorate of Economics and Statistics under the Ministry of Agriculture).

Providing private mandi platform

We envisage leveraging our integrated business model and large customer base to provide *mandi* services to farmers and traders & aggregators. We believe these services will bring about efficient price discovery and transparency particularly in goods, which are not traded on commodities exchanges. Our network of warehouses will function as *mandis* and provide flexibility to our customers to store and trade in their goods from one location thereby reducing logistical costs from the value chain. Through our *mandi* services, we propose to directly link buyers and sellers and replace traditional middlemen in the value chain.

A large volume of agri-commodities is presently not traded on organized commodities exchanges thereby underscoring the potential opportunity for this business. This business opportunity should be seen in the context of the more than 7,000 *mandis* operating across India (*source: CRISIL Industry Report*), and an expansion in the geographic spread of our warehousing operations would enable us to grow our *mandi* services, once implemented in these areas.

Our Company already has the requisite backend IT systems to record the quality and quantity of goods stored in our warehouses, which we propose to leverage for our *mandi* services. Our Company will provide *mandi* services in compliance with all applicable laws and subject to our existing contractual obligations.

SUMMARY FINANCIAL INFORMATION

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at 30 th September 2014	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012	As at 31 st March 2011	As at 31 st March 2010
<i>(₹ in Million)</i>						
EQUITY AND LIABILITIES						
I) Shareholders' Funds						
(a) Share Capital						
(i) Equity share capital	468.00	468.00	421.20	421.20	270.00	200.00
(ii) Preference share Capital	158.80	158.80	158.80	158.80	150.00	140.00
Total	626.80	626.80	580.00	580.00	420.00	340.00
(b) Reserves and Surplus						
(i) Securities Premium Account	280.92	280.92	-	-	-	-
(ii) Surplus/(Deficit) in statement of Profit and Loss	399.32	352.49	123.36	(23.22)	(37.00)	(44.38)
Total	680.24	633.41	123.36	(23.22)	(37.00)	(44.38)
II) Non-Current Liabilities						
(a) Long Term Borrowings	3,293.63	3,045.37	2,579.22	1,803.34	1,251.29	1,226.94
(b) Deferred Tax Liabilities (Net)	158.11	129.64	33.44	-	-	-
(c) Long Term Provisions	1.17	0.87	0.61	1.24	1.12	0.71
Total	3,452.91	3,175.88	2,613.27	1,804.58	1,252.41	1,227.65
III) Current Liabilities						
(a) Short Term Borrowings	648.61	411.49	499.21	331.64	231.25	107.18
(b) Trade Payables	216.97	358.99	620.49	89.24	70.30	17.77
(c) Other Current Liabilities	437.52	397.03	348.27	289.42	148.93	145.45
(d) Short Term Provisions	6.63	22.10	26.54	24.92	17.94	11.31
Total	1,309.73	1,189.61	1,494.51	735.22	468.42	281.71
Total (A)	6,069.68	5,625.70	4,811.14	3,096.58	2,103.83	1,804.98
ASSETS						
I) Non-current assets						
(a) Fixed assets						
(i) Tangible assets	3,212.40	2,790.41	2,483.27	1,723.30	1,402.29	1,348.39
(ii) Intangible assets	32.56	37.85	46.34	6.68	4.13	0.33
(iii) Capital work-in-progress	820.81	849.89	310.92	88.33	29.00	126.79
(iv) Intangible assets under development	-	-	-	1.42	2.28	1.43
(b) Non-current investments	-	-	3.49	3.26	2.88	-
(c) Deferred Tax Assets (Net)	-	-	-	0.69	9.75	15.57
(d) Long term Loans and Advances	256.88	186.28	119.40	107.90	33.83	49.00
(e) Other Non-current assets	65.98	59.23	27.50	30.00	20.00	-
Total	4,388.63	3,923.66	2,990.92	1,961.58	1,504.16	1,541.51

II) Current Assets									
(a) Inventories		705.32	835.25	879.97	467.09	298.68		98.27	
(b) Trade receivables		602.40	624.74	705.07	323.76	187.27		118.88	
(c) Cash and Bank Balances		75.81	28.09	17.55	244.91	32.22		15.50	
(d) Short-term Loans and Advances		128.32	100.83	77.41	53.58	58.40		22.63	
(e) Other Current Assets		169.20	113.13	140.22	45.66	23.10		8.19	
Total		1,681.05	1,702.04	1,820.22	1,135.00	599.67		263.47	
Total (B)		6,069.68	5,625.70	4,811.14	3,096.58	2,103.83		1,804.98	

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

Particulars	For the six months ended 30 th September 2014	(₹ in Million)				
		For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2011	For the year ended 31 st March 2010
I. Revenue						
Revenue from operations	1,398.83	3,693.78	2,318.82	2,029.60	1,360.35	884.35
II. Other Income	0.39	85.98	113.32	9.93	5.60	1.93
Total Revenue	1,399.22	3,779.76	2,432.14	2,039.53	1,365.95	886.28
III. Expenses						
Purchases of Stock in trade*	638.07	2,547.40	2,140.83	1,643.66	1,185.26	834.24
Changes in Inventory of Stock in Trade*	131.54	51.77	(409.89)	(176.10)	(190.12)	(40.30)
Employee Benefits Expense	91.35	155.59	93.03	80.35	75.74	39.65
Other Expenses	258.76	358.32	204.76	253.42	114.80	29.75
Depreciation and amortization expense	43.72	58.51	34.08	27.13	21.80	9.86
Finance costs	157.10	257.28	160.22	181.25	138.65	68.38
Total Expenses	1,320.54	3,428.87	2,223.03	2,009.71	1,346.13	941.58
IV. Profit/(Loss) before Extraordinary item and tax (I+II-III)	78.68	350.89	209.11	29.82	19.82	(55.30)
V. Extraordinary item:	-	-	-	-	-	-
VI. Profit/(Loss) after Extraordinary item and before tax (IV-V)	78.68	350.89	209.11	29.82	19.82	(55.30)
VII. Tax expense:						
Current tax	16.49	73.55	41.84	5.97	1.99	-
MAT Credit Entitlement	(16.49)	(55.42)	(20.86)	(5.97)	(1.99)	-
Deferred tax [charge/(Credit)]	29.62	96.20	34.12	9.07	5.82	(17.24)
VIII. Profit/(Loss) for the Year/ Period as restated (VI-VII)	49.06	236.56	154.01	20.75	14.00	(38.06)

*Includes Primary Processed Product

RESTATED SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the Six Month ended 30th September 2014	For the Year ended 31st March 2014	For the Year ended 31st March 2013	For the Year ended 31st March 2012	(₹ in Million)	
					For the Year ended 31st March 2011	For the Year ended 31st March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Net profit/(loss) before tax (as restated)	78.68	350.89	209.11	29.82	19.82	(55.30)
Adjustments for :						
Depreciation	43.72	58.51	34.08	27.13	21.80	9.86
Finance Cost	157.10	257.28	160.22	181.25	138.65	68.38
Profit on sales of Fixed assets	-	(80.13)	(102.71)	(2.54)	-	-
Interest Received	(0.39)	(1.72)	(1.75)	(4.98)	(4.63)	(1.91)
Unrealized Exchange (Gain) / Loss	2.31	(5.21)	(0.40)	1.09	0.07	0.11
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	281.42	579.62	298.55	231.77	175.71	21.14
Adjustment for:						
Trade and other Receivables	(33.67)	25.25	(418.80)	(137.84)	(83.36)	(56.77)
Loans and Advances	(27.49)	(25.47)	(23.44)	4.47	(35.33)	(18.66)
Inventories	129.94	44.72	(412.88)	(168.40)	(200.41)	(40.65)
Trade Payables	(151.00)	(205.34)	489.35	125.20	61.82	9.30
CASH GENERATED FROM - (USED IN) OPERATIONS	199.20	418.78	(67.22)	55.20	(81.57)	(85.64)
Income Tax paid	(60.00)	(78.42)	(15.84)	(18.77)	(7.75)	(3.09)
NET CASH FLOW FROM - (USED IN) OPERATING ACTIVITIES	139.20	340.36	(83.06)	36.43	(89.32)	(88.73)
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of fixed assets (Net of Subsidy)	(410.18)	(864.04)	(842.05)	(453.21)	(182.26)	(379.68)
Sale of Fixed Assets	-	160.34	51.71	28.36	228.88	-
(Increase)/Decrease in Bank balances not to be considered as Cash and Cash Equivalents	(46.35)	(0.93)	(0.07)	1.64	(0.43)	(0.65)
Sale of Investments	-	3.49	-	-	-	-
Purchase of Investments	-	-	(0.22)	(0.38)	(2.88)	-
Interest Received	0.39	1.72	1.75	4.98	4.63	1.91
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(456.14)	(699.42)	(788.88)	(418.61)	47.94	(378.42)
C. CASH FLOW FROM FINANCING ACTIVITIES:						
Proceeds from Issue of Shares	-	351.00	-	160.00	80.00	-
Share Issue Expenses	-	(23.28)	-	-	-	-
Proceeds from issue Compulsory Convertible Debentures	-	449.00	-	-	-	-
Proceeds from Long Term Borrowings	328.85	1,223.22	49.09	637.14	-	143.79
Repayment of Long Term Borrowings	(91.68)	(138.59)	(130.62)	(131.34)	(181.78)	(0.27)
Proceeds from Loans from related party	-	380.50	1,302.40	1,031.90	697.00	632.97
Repayment of Loans from related party	-	(1,527.31)	(651.39)	(1,002.60)	(525.50)	(213.50)
Net increase / (decrease) in Short Term borrowings	237.12	(87.72)	272.95	21.16	97.92	(1.52)
Dividend including Tax on Dividend	(1.08)	(7.43)	(24.87)	-	-	-

Finance Cost [Including interest capitalized)	(154.90)	(250.73)	(173.05)	(119.75)	(109.97)	(93.20)
NET CASH FLOW FROM FINANCING ACTIVITIES	318.31	368.66	644.51	596.51	57.67	468.27
D NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	1.37	9.60	(227.43)	214.33	16.29	1.12
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR / PERIOD	16.52	6.92	234.35	20.02	3.73	2.61
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD	17.89	16.52	6.92	234.35	20.02	3.73
CASH AND CASH EQUIVALENTS COMPRISES OF:						
Cash on Hand	0.56	0.93	0.61	1.21	0.75	0.28
Balances with Banks in Current and deposit Accounts	17.33	13.90	6.31	233.14	19.27	3.45
Cheques on Hand	-	1.69	-	-	-	-
Total	17.89	16.52	6.92	234.35	20.02	3.73

THE OFFER

The following table summarizes the Offer details:

Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares aggregating up to ₹ 2,100 million
Offer for Sale ^{(1) #}	Up to 7,007,876 Equity Shares aggregating up to ₹ [●] million
Employee Reservation Portion ⁽²⁾⁽³⁾	100,000 Equity Shares
Net Offer	[●] Equity Shares
<i>The Net Offer consists of:</i>	
A. QIB Portion ⁽²⁾	At least [●] Equity Shares
<i>Of which</i>	
Anchor Investor Portion *	Not more than [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion ⁽²⁾	Not more than [●] Equity Shares
C. Retail Portion ⁽²⁾	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer ⁽⁴⁾	49,127,876 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	See the section titled “ <i>Objects of the Offer</i> ” beginning at page 105. Our Company will not receive any proceeds from the Offer for Sale.

[#] The Selling Shareholder has approved the Offer for Sale pursuant to a resolution passed by its board of directors on December 8, 2014.

* Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third will be reserved for domestic Mutual Funds. For further details, see section titled “Offer Procedure” beginning at page 408. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

⁽¹⁾ The Fresh Issue has been authorized by resolutions of our Board passed on January 7, 2015 and February 5, 2015, and by special resolutions of our Shareholders at the EGMs held on January 10, 2015 and February 6, 2015.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion subject to the Net Offer constituting at least 25% of the fully diluted post-Offer paid up equity share capital of our Company.

⁽³⁾ Our Company and the Selling Shareholder in consultation with the BRLMs may offer a discount of up to 5% of the Offer Price to the Eligible Employees Bidding in the Employee Reservation Portion. The excess amount paid at the time of Bidding shall be refunded to the Eligible Employees.

⁽⁴⁾ As on the date of this Draft Red Herring Prospectus, there are 15,880,000 outstanding Preference Shares and 70 CCDs. Prior to the filing of the Red Herring Prospectus with the RoC, these outstanding CCDs shall be converted to Equity Shares in

accordance with the terms of the Investment Agreement and the Amendment Agreement. The maximum number of Equity Shares which can result from the conversion of the outstanding CCDs, assuming a conversion before Fiscal 2016, in accordance with the conversion formula in the Investment Agreement is 6,512,811.

Allocation to investors in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

The Equity Shares offered in the Offer for Sale have been held by the Selling Shareholder for a period of at least one year (including the holding period of the CCDs) prior to the date of this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer.

For details including in relation to grounds for rejection of Bids, please see the section titled “*Offer Procedure*” on page 408. For details of the terms of the Offer, please see the section titled “*Terms of the Offer*” on page 398.

GENERAL INFORMATION

Our Company was originally incorporated on January 19, 2007 under the Companies Act, 1956 in the name of “Shree Shubham Logistics Private Limited”. It was converted from a private limited company to a public limited company under the Companies Act, 1956 with the name of “Shree Shubham Logistics Limited” and received a fresh certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on April 20, 2007.

Registered Office

Plot No. A-1 & A-2,
G.I.D.C. Electronic Estate,
Sector 25,
Gandhinagar - 382 004, Gujarat,
India
Telephone: +91 79 2321 4563
Facsimile: +91 79 2321 1966

Corporate Office

Unit No. 72, 7th Floor, “Kalpataru Square”,
Kondivita Lane, off Andheri Kurla Road,
Andheri (East),
Mumbai - 400 059, India
Telephone: +91 22 3364 7500
Facsimile: +91 22 3364 7502

Website: www.ssll.in
Registration Number: 049796
Corporate Identity Number: U60232GJ2007PLC049796

Regional Office

3rd Floor City Centre Building,
Near Sanghi Petrol Pump,
Station Road,
Jodhpur 342001, India
Telephone: +91 291 515 7023
Facsimile: +91 291 515 7002

Address of the Registrar of Companies

The Registrar of Companies is located at the following address:
The Registrar of Companies Gujarat, Dadra and Nagar Haveli
ROC Bhawan, Opp. Rupal Park Society
Behind Ankur Bus Stand, Naranpura,
Ahmedabad – 380 013
Gujarat, India.

Board of Directors

The following table sets forth certain details of our Board:

Name, Designation and Occupation	Age (years)	DIN	Address
Dr. Bibhuti Bhusan Pattanaik	60	00299819	Flat Number 302, New Shivalik Co-operative Group Housing Society

Name, Designation and Occupation	Age (years)	DIN	Address
Designation: Chairman and non-executive independent Director Occupation: Professional/ Retired public sector chief executive			Limited, GH-4, Sector-51, Gurgaon, Haryana, India
Mr. Ramalingam Ramaseshan Designation: non-executive independent Director Occupation: Retired IAS Officer	58	00200373	Number 10, V th C Cross, 16 th Main, BTM Layout, Bangalore-560 076, Karnataka, India
Ms. Preeti Kaushik Trivedi Designation: non-executive independent Director Occupation: Chartered Accountant	57	00179479	3-A, Nirmal Building, Gulmohar Cross Road Number 5, Opposite Irla Masjid, JVPD Scheme, Juhu, Mumbai- 400 049, Maharashtra, India
Mr. Manish Mohnot Designation: non-executive Director Occupation: Service	42	01229696	C/4/11, Sunder Nagar, S.V. road, Malad (west), Mumbai- 400 064, Maharashtra, India
Mr. Hetal Madhukant Gandhi Designation: non-executive Director Occupation: Service	49	00106895	B/2, 1203, Vivarea Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai- 400 011, Maharashtra, India
Dr. Prakash Bakshi Designation: Managing Director Occupation: Service	61	02628945	A Wing, 1801, Mahindra Eminent, S.V. Road, Goregaon (west), Mumbai- 400 062, Maharashtra, India
Mr. Kamal Kishore Jain Designation: non-executive Director Occupation: Service	57	00269810	Madhupark", Plot Number 110, Near Shopping Centre, Sector- 8B, Gandhinagar- 382 008, Gujarat, India
Mr. Aditya Bafna Designation: executive Director Occupation: Service	33	00441510	C-55, Shastri Nagar, Jodhpur- 342 003, Rajasthan, India
Mr. Shubhendra Kumar Bafna Designation: executive Director Occupation: Service	31	00464191	C-55, Shastri Nagar, Jodhpur- 342 003, Rajasthan, India

For further details and profile of our Directors, please see the section titled “*Our Management*” beginning on page 199.

Company Secretary and Compliance Officer

Mr. Krishna Kumar Mishra
Company Secretary and Compliance Officer
Plot No. A-1 & A-2, G.I.D.C. Electronic Estate,
Sector 25, Gandhinagar - 382 004,
Gujarat, India
Telephone: +91 79 2321 4563

Facsimile: +91 79 2321 1966

Investors can contact the Compliance Officer and the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc.

For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All grievances relating to the non-ASBA process must be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the sole or first Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process must be addressed to the Registrar to the Offer with a copy to the SCSBs or the Syndicate Members if the bid was submitted to a member of Syndicate at any of the Specified Locations, or the Registered Broker, as the case may be, giving full details such as name, address of the sole or first Bidder, Bid cum Application Form number, date of Bid cum Application Form, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number, Bidders' DP ID, Client ID, PAN and name and address of the Designated Branch of the SCSBs or the details of the Syndicate Member at the Specified Locations where the Bid cum Application Form was submitted. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar, containing full details.

Chief Financial Officer

Mr. Vishesh Singhvi
3rd Floor City Centre Building,
Near Sanghi Petrol Pump,
Station Road,
Jodhpur 342001, India
Telephone: +91 291 515 7023
Facsimile: +91 291 515 7002

Book Running Lead Managers

The details of the BRLMs are as follows:

Book Running Lead Managers		
Inga Capital Private Limited Naman Midtown, 'A' Wing, 21st Floor Senapati Bapat Marg Elphinstone (West), Mumbai 400 013 Tel: +91 22 4031 3489 Fax: +91 22 4031 3379 Email: ssl.ipo@ingacapital.com Investor Grievance Email: investors@ingacapital.com Website: www.ingacapital.com Contact Person: Mr. Ashwani Tandon SEBI Registration Number: INM000010924	Citigroup Global Markets India Private Limited 1201, 12 th Floor, First International Financial Centre 14 th Floor, G-Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 22 6175 9999 Facsimile: +91 22 6175 9897 Email: ssl.ipo@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Investor Grievance Email: investors.cgmb@citi.com Contact Person: Mr. Nikhil Divecha SEBI Registration No.: INM000010718	IDFC Securities Limited Naman Chambers C-32, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Telephone : +91 22 6622 2600 Facsimile : +91 22 6622 2501 Email : ssl.ipo@idfc.com Investor Grievance Email: investorgrievance@idfc.com Website: www.idfccapital.com Contact Person: Mr. Akshay Bhandari SEBI Registration No.: MB/INM000011336

Syndicate Members
[•]
Legal Counsel to the Company as to Indian Law
Luthra & Luthra Law Offices 20 th Floor, Tower 2, Unit A2 Indiabulls Finance Centre, Elphinstone Road, Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Telephone: +91 22 6630 3600 Facsimile: +91 6630 3700
Legal Counsel to the Underwriters as to Indian Law
AZB & Partners 24 th Floor, Express Towers Nariman Point Mumbai – 400 021 Telephone: +91 22 6639 6880 Facsimile: +91 22 6639 6888
International Legal Counsel to the Underwriters
Herbert Smith Freehills LLP 50 Raffles Place #24-01 Singapore Land Tower Singapore – 048623 Telephone: + 65 6868 8000 Facsimile: + 65 6868 8001
Registrar to the Offer
Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai - 400 078 Maharashtra, India Telephone: +91 22 6171 5400 Facsimile: +91 22 2596 0329 E-mail: ssl.ipo@linkintime.co.in Investor Grievance Email: ssl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058
Escrow Collection Banks
[•]
Refund Banker(s)
[•]

Self Certified Syndicate Banks

The list of banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations, is available on <http://www.sebi.gov.in> and updated from time to time, or at such other website as may be prescribed by SEBI from time to time. For details of Designated Branches which shall collect Bid cum Application Form from the ASBA Bidders, please refer to the abovementioned link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer to Registered Brokers at the Broker Centres. For further details, please see the section titled “*Offer Procedure*” beginning at page 408.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3 and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively.

Statutory Auditor to our Company

Deloitte Haskins & Sells

3rd Floor, Heritage, Near Gujarat Vidhyapith
Off Ashram Road
Ahmedabad – 380 014
Gujarat, India
Telephone: + 91 79 66073100
Facsimile: +91 79 27582551
Website: www.deloitte.com
Email: gshah@deloitte.com
Registration Number: 117365W

Chartered Engineer

Kailas Pawar & Associates

Consulting Engineer, Architects & Valuer
Sector 12, Maruti Sadan Co-operative Housing Society
Shop no. 25, Plot no. 43, Khanda Colony
Panvel, Raigarh
Maharashtra, India
Telephone: +91 22 2746 0152
Email: pawar1967@gmail.com
Registration Number: AM-088662-1

Bankers to our Company

HDFC Bank

O-10, Ground Floor,
Ashok Marg, C- Scheme, Jaipur- 302 001
Rajasthan, India
Telephone: +91 141 5105195
Facsimile: +91 141 5101076
Contact Person: Mr. Jitender Singh Maan
Email: jitendrasingh.maan@hdfcbank.com
Website: www.hdfcbank.com

Axis Bank Limited

214-215, 2nd Floor, City Mall,
Ganeshkhind, University Road,
Pune – 411 007
Maharashtra, India
Telephone: +91 20 6622 3728
Facsimile: +91 20 6622 3888
Contact Person: Mr. Gunjan Shah
Email: gunjan.shah@axisbank.com
Website: www.axisbank.com

DCB Bank Limited

6th Floor, Tower A,
Peninsula Business Park, S B Marg,
Lower Parel, Mumbai – 400 013,
Maharashtra, India
Telephone: +91 22 6618 7112
Facsimile: +91 22 6658 9975
Contact Person: Mr. Suraj Sharma
Email: surajs@dcbbank.com
Website: www.dcbbank.com

Union Bank of India

C U Shah College Building, Near Income Tax Circle,
Ashram Road, Ahmedabad
Gujarat, India
Telephone: +91 79 2754 1924
Facsimile: +91 79 2754 0843
Contact Person: Mr. Dilip Sarupria
Email: ifbahmedabad@unionbankofindia.com
Website: www.unionbankofindia.co.in

Yes Bank Limited

102/ 103- C.G. Centre, C.G. Road
Panchwati, Ahmedabad- 380 009
Gujarat, India
Telephone: +91 79 3045 9128/ 9129
Facsimile: +91 79 6631 8430
Contact Person: Mr. Saumil Parikh/ Mr. Piyush Ranjan
Email: saumil.parikh@yesbank.in/ piyush.ranjan@yesbank.in
Website: www.yesbank.in

ICICI Bank Limited

9th Floor, JMC House, Opposite Parimal Garden,
Ambawadi, Ahmedabad – 380 006
Gujarat, India
Telephone: +91 79 6652 3775
Facsimile: +91 79 6652 3779
Contact Person: Mr. Manan Shah
Email: manan.shah@icicibank.com
Website: www.icicibank.com

Statement of inter-se allocation responsibilities of the BRLMs

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/ management/ business plans/ legal etc.	Inga, Citi, IDFC	Inga
2.	Drafting and designing of the Draft Red Herring Prospectus including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchanges, SEBI including finalization of the Prospectus	Inga, Citi, IDFC	Inga
3.	Drafting and approval of all statutory advertisements	Inga, Citi, IDFC	Inga
4.	Drafting and approving of all publicity material other than statutory advertisements as mentioned above, including corporate advertisements, brochures etc.	Inga, Citi, IDFC	Citi
5.	Appointment of advertising agency and Bankers to the Issue and coordinating their respective Agreements	Inga, Citi, IDFC	Inga
6.	Appointment of Registrar to the Issue, Printers, Grading and Monitoring Agency; International Legal Counsel, etc. if applicable, and coordinating their respective Agreements	Inga, Citi, IDFC	Inga
7.	International institutional marketing strategy, including <ul style="list-style-type: none"> • finalising the list and allocation of investors for one to one meetings, • finalizing the International road show schedule and investor meeting schedules, • preparation of road show presentation and FAQs. 	Inga, Citi, IDFC	Citi
8.	Domestic institutional marketing strategy including, <ul style="list-style-type: none"> • finalization of the list and division of investors for one to one meetings, • institutional allocation • finalizing the list and division of investors for one to one meetings, and finalizing investor meeting schedules. 	Inga, Citi, IDFC	IDFC
9.	Retail and Non-institutional marketing which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> • formulating marketing strategies, • preparation of publicity budget, • finalizing media and public relations strategy, • finalizing centre for holding conferences for press and brokers, • distribution of publicity and Issue material • deciding on the quantum of Issue material including forms, the Prospectus and, and finalizing collection centres. 	Inga, Citi, IDFC	Inga
10.	Finalization of pricing in consultation with the Company and managing the book.	Inga, Citi, IDFC	Citi
11.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.	Inga, Citi, IDFC	IDFC
12.	The post Bidding & post Issue activities, including management of escrow accounts, co-ordination of non-institutional allocation (including Anchor Investor Portion), intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include follow-up with bankers to the Issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue, Escrow Collection Banks and the bank(s) handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	Inga, Citi, IDFC	IDFC

Monitoring Agency

Since the proceeds from the Fresh Issue are less than ₹ 5,000 million, in terms of Regulation 16 (1) of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. As required under the Listing Agreements with the Stock Exchanges, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Offer. We will disclose the utilization of the proceeds of the Offer under a separate head along with details, if any in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Offer in our balance sheet for the relevant financial years.

Expert

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

- a. Our Company has received written consent from the auditors of our Company, Deloitte Haskins & Sells, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 and as an expert under section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their reports on the Restated Financial Statements and such consent has not been withdrawn as on the date of filing this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.;
- b. Our Company has received written consent from Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 and as an expert under section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their statement of tax benefits dated February 2, 2015 and such consent has not been withdrawn as on the date of filing this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.; and
- c. Our Company has received written consent from Kailas Pawar & Associates, Consulting Engineer, Architect & Valuer to be named as an expert under section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to its certificates dated January 19, 2015 on storable floor plate area and corresponding storage capacity of the warehouses managed and operated by our Company and such consent has not been withdrawn as on the date of filing this Draft Red Herring Prospectus.

Project Appraisal

The objects of this Offer have not been appraised.

Credit Rating

As this is an issue of equity shares, credit rating is not required.

Trustees

As this is an offer of equity shares, the appointment of trustees is not required.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms, and the Revision Forms. The Offer Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the Selling Shareholder;
- (3) BRLMs;
- (4) Syndicate Members;
- (5) Registered Brokers;
- (6) Registrar to the Offer;
- (7) Escrow Collection Banks; and
- (8) SCSBs.

This Offer is being made through the Book Building Process, wherein at least 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis (excluding the Anchor Investor Portion, if any).

Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be reserved for domestic Mutual Funds. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price.

Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI Regulations, subject to valid Bids being received at or above the Offer Price, such that subject to availability of Equity Shares, each Retail Individual Bidder shall be allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. Under-subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. However, under subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion subject to the Net Offer constituting at least 25% of the fully diluted post-Offer paid up equity share capital of our Company.

Further, QIBs (other than Anchor Investors) and NIIs can participate in the Offer only through the ASBA mechanism. Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI Regulations, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid. For further details, please see the sections titled "Offer Structure" and "Offer Procedure" on pages 402 and 408, respectively.

Our Company and the Selling Shareholder will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage this Offer and procure subscriptions to this Offer.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. Specific attention of ASBA Bidders is invited to see section titled “Offer Procedure” on page 408;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the state of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form (please see the section titled “Offer Procedure” on page 408). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to information available with the Depository Participants in support of such claims of the investors by collecting sufficient documentary evidence. In accordance with the SEBI Regulations, PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of the transaction;
- Bids by QIBs (except Anchor Investors) and NIIs shall be submitted only through the ASBA process;
- Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation (“**Demographic Details**”), given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, DP ID and Client ID given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder’s name, bank account number etc;
- ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the sub-Syndicate or the Registered Brokers. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum Application Form is not rejected; and
- Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange.

For further details, please see the section titled “Offer Procedure” on page 408.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment; and (ii) the final approval of the RoC after registration of the Red Herring Prospectus and the Prospectus.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer; it also excludes bidding by Anchor Investors or under the ASBA process)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to offer the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company and the Selling Shareholder, in consultation with BRLMs, will finalise the offer price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the offer price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Offer Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into the Underwriting Agreement with the Underwriters and the Registrar to the Offer for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (In ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalization of the 'Basis of Allotment'.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them, in accordance with the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Offer. The underwriting agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the investors at the time of Bidding.

CAPITAL STRUCTURE

The details of the share capital of our Company, as of the date of this Draft Red Herring Prospectus, are set forth below:

<i>(₹ million, except share data)</i>			
		Aggregate nominal value	Aggregate value at Offer Price
A) AUTHORISED SHARE CAPITAL			
	84,000,000 Equity Shares	840.00	-
	16,000,000 Preference Shares	160.00	-
B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER			
	49,127,876 Equity Shares	491.28	-
	15,880,000 Preference Shares	158.80	
C) PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS			
	Public offer of up to [●] Equity Shares	[●]	[●]
	<i>Comprising</i>		
	(a) Fresh issue of up to [●] Equity Shares	[●]	[●]
	(b) Offer for sale of up to 7,007,876 Equity Shares by the Selling Shareholder	70.08	[●]
	<i>Of which</i>		
(a) EMPLOYEE RESERVATION PORTION			
	100,000 Equity Shares	1.00	[●]
(b) NET OFFER			
	[●] Equity Shares	[●]	[●]
D) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE OFFER			
	[●] Equity Shares*	[●]	[●]
	15,880,000 Preference Shares	158.80	-
E) SECURITIES PREMIUM ACCOUNT			
	Before the Offer	392.34	
	After the Offer**	[●]	

* As on date of this Draft Red Herring Prospectus, Tano holds 70 CCDs, which shall be converted into such number of Equity Shares based on the PAT of our Company, as shall be calculated in accordance with the Investment Agreement, prior to registration of the Red Herring Prospectus with the RoC. The maximum number of Equity Shares which can result from the conversion of the outstanding CCDs, assuming a conversion before Fiscal 2016, in accordance with the conversion formula in the Investment Agreement is 6,512,811. For more details, please see the section titled "History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholders' Agreements" on page 195.

**The securities premium account will be determined after completion of the Book Building Process and determination of the Offer Price.

- (a) For details of changes in the authorised share capital of our Company since incorporation, please see the section titled "History and Certain Corporate Matters - Changes in Memorandum of Association" on page 189.
- (b) The Fresh Issue has been authorized by resolutions of our Board dated January 7, 2015 and February 5, 2015, and by special resolutions passed by our shareholders at the EGMs held on January 10, 2015 and February 6, 2015.

- (c) The Selling Shareholder has approved the Offer for Sale pursuant to a resolution passed by its board of directors on December 8, 2014.

The Selling Shareholder confirms that the Equity Shares proposed to be sold by way of the Offer for Sale are eligible for being offered for sale in this Offer in accordance with the SEBI Regulations, having been held for period of at least one year (including the holding period of the CCDs). The Equity Shares held by the Selling Shareholder are currently in dematerialised form.

- (d) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Offer Price. In the event that the demand from Mutual Funds is greater than 5% of the Net QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Offer Price.
- (e) Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, please see the section titled “Offer Procedure” on page 408. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Notes to Capital Structure

1. Share Capital History

a) History of equity share capital of our Company since incorporation

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
At incorporation	10,000	10.00	10.00	Cash	Subscription to the MoA	10,000	100,000
January 23, 2007	2,152,500	10.00	10.00	Other than cash	Preferential allotment	2,162,500	21,625,000
March 19, 2007	4,000,000	10.00	10.00	Cash	Preferential allotment	6,162,500	61,625,000
June 30, 2007	2,500,000	10.00	10.00	Cash	Preferential allotment	8,662,500	86,625,000
October 15, 2007	30,000	10.00	10.00	Other than cash	Preferential allotment	8,692,500	86,925,000
November 6, 2007	1,667,100	10.00	10.00	Other than cash	Preferential allotment	10,359,600	103,596,000
February 23, 2008	1,500,000	10.00	10.00	Cash	Preferential allotment	11,859,600	118,596,000
March 31, 2008	4,140,400	10.00	10.00	Cash	Preferential allotment	16,000,000	160,000,000
September 18, 2008	4,000,000	10.00	10.00	Cash	Preferential allotment	20,000,000	200,000,000
December 29, 2010	7,000,000	10.00	10.00	Cash	Preferential allotment	27,000,000	270,000,000
March 31, 2012	15,120,000	10.00	10.00	Cash	Preferential	42,120,000	421,200,000

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
May 31, 2013	4,680,000	10.00	75.00	Cash	allotment Preferential allotment	46,800,000	468,000,000
February 6, 2015	2,327,876	10.00	57.86	Other than cash	Conversion of CCDs	49,127,876	491,278,760

b) History of preference share capital of our Company

Date of allotment	Number of Preference Shares	Face value (₹)	Issue price per Preference Share (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of Preference Shares	Cumulative paid-up preference share capital (₹)
October 15, 2007	3,500,000	10.00	10.00	Cash	Preferential allotment	3,500,000	35,000,000
March 31, 2008	2,500,000	10.00	10.00	Cash	Preferential allotment	6,000,000	60,000,000
September 18, 2008	8,000,000	10.00	10.00	Cash	Preferential allotment	14,000,000	140,000,000
December 29, 2010	1,000,000	10.00	10.00	Cash	Preferential allotment	15,000,000	150,000,000
March 31, 2012	880,000	10.00	10.00	Cash	Preferential allotment	15,880,000	158,800,000

c) Compulsorily Convertible Debentures issued by our Company

Date of allotment/ conversion	Number of CCDs allotted/ (converted)	Face value (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of CCDs
May 31, 2013*	100	4,490,000.00	Cash	Preferential allotment	100
February 6, 2015	(30)	4,490,000.00	Other than cash	Conversion of CCDs	70

* Issue of CCDs to Tano India Private Equity Fund II, pursuant to the Investment Agreement dated April 4, 2013. For more information, please see the section titled "History and Certain Corporate Matters" on page 189.

All the outstanding CCDs would be converted into Equity Shares prior to the registration of the Red Herring Prospectus with the RoC in accordance with the terms of the Investment Agreement. The maximum number of Equity Shares which can result from the conversion of the outstanding CCDs, assuming a conversion before Fiscal 2016, in accordance with the conversion formula in the Investment Agreement is 6,512,811.

d) Equity Shares issued for consideration other than cash

The details of Equity Shares issued for consideration other than cash are as follows:

Date of allotment	Name of the Allottee	Number of Equity Shares allotted	Issue price (₹)	Reasons for allotment and benefits
January 23, 2007	Mr. Aditya Bafna	1,410,000	10.00	The Equity Shares were allotted in consideration for certain warehouses owned by the allottees, which were acquired in connection with the business of the Company
	Ms. Mamta Bafna	370,000		
	Ms. Ridhi Bafna	372,500		

October 15, 2007	Mr. Aditya Bafna	30,000	10.00	The Equity Shares were allotted in consideration for certain machinery owned by the allottee, which was acquired in connection with the business of the Company
November 6, 2007	Mr. Aditya Bafna	687,100*	10.00	The Equity Shares were allotted in consideration for certain warehouses owned by the allottees, which were acquired in connection with the business of the Company
	Mr. Shubhendra Kumar Bafna	980,000*		
February 6, 2015	Tano India Private Equity Fund II	2,327,876	57.86	Conversion of CCDs

* The total consideration for transfer of the land and building by the allottees to our Company was ₹ 20,771,000, out of which ₹ 4,100,000 was paid in the form of cash and the balance was in the form of the Equity Shares allotted on November 6, 2007.

e) Equity Shares issued at a price which may be lower than the Offer Price during the preceding one year

Our Company has made the following allotments of Equity Shares during the one year preceding the date of filing this Draft Red Herring Prospectus, at a price which may be lower than the Offer Price.

Date of allotment	Name of the Allottee	No. of Equity Shares	Issue price (₹)	Reasons for allotment
February 6, 2015	Tano India Private Equity Fund II	2,327,876	57.86	Conversion of CCDs

2. Build-up, contribution and lock-in

a) Details of build up of Promoters' equity shareholding in our Company

Date of allotment/ transfer	Number of Equity Shares acquired (transferred)	Face value (₹)	Issue/ Acquisition price per Equity Share	Nature of Consideration	% of pre-offer equity share capital	% of post-offer equity share capital	Nature of transaction
I. Kalpataru Power Transmission Limited							
March 19, 2007	4,000,000	10.00	10.00	Cash	8.14	[●]	Preferential allotment
June 30, 2007	2,500,000	10.00	10.00	Cash	5.09	[●]	Preferential allotment
February 23, 2008	1,500,000	10.00	10.00	Cash	3.05	[●]	Preferential allotment
March 31, 2008	4,000,000	10.00	10.00	Cash	8.14	[●]	Preferential allotment
September 18, 2008	4,000,000	10.00	10.00	Cash	8.14	[●]	Preferential allotment
December 29, 2010	7,000,000	10.00	10.00	Cash	14.25	[●]	Preferential allotment
March 31, 2012	12,850,000	10.00	10.00	Cash	26.16	[●]	Preferential allotment
II. Mr. Aditya Bafna							
At incorporation	4,000	10.00	10.00	Cash	0.01	[●]	Subscription to MoA
January 23, 2007	1,410,000	10.00	10.00	Other than cash	2.87	[●]	Preferential allotment
February 23, 2007	(100)	10.00	10.00	Cash	0.00	[●]	Transfer to Ms. Nilu Kankeria
February 23, 2007	(100)	10.00	10.00	Cash	0.00	[●]	Transfer to Ms. Sudha Jain
October 15, 2007	30,000	10.00	10.00	Other than cash	0.06	[●]	Preferential allotment
November 6, 2007	687,100	10.00	10.00	Other than cash	1.40	[●]	Preferential allotment
March 31, 2008	50,000	10.00	10.00	Cash	0.10	[●]	Preferential allotment

Date of allotment/ transfer	Number of Equity Shares acquired (transferred)	Face value (₹)	Issue/ Acquisition price per Equity Share	Nature of Consideration	% of pre- Offer* equity share capital	% of post- Offer equity share capital	Nature of transaction
October 24, 2009	(293,500)	10.00	10.00	Cash	0.60	[●]	Transfer to Ms. Mamta Bafna
October 24, 2009	(260,000)	10.00	10.00	Cash	0.53	[●]	Transfer to Shubhendra Kumar Bafna, karta of Shubhendra Kumar Bafna HUF
March 31, 2012	1,135,000	10.00	10.00	Cash	2.31	[●]	Preferential allotment
March 26, 2013	100	10.00	10.00	Cash	0.00	[●]	Transfer from Ms. Nilu Kankerla
III. Mr. Shubhendra Kumar Bafna							
At incorporation	3,000	10.00	10.00	Cash	0.01	[●]	Subscription to MoA
November 6, 2007	980,000	10.00	10.00	Other than cash	1.99	[●]	Preferential allotment
March 31, 2008	50,000	10.00	10.00	Cash	0.10	[●]	Preferential allotment
March 31, 2012	1,135,000	10.00	10.00	Cash	2.31	[●]	Preferential allotment
March 26, 2013	43,400	10.00	Nil	-	0.09	[●]	Transmission from Ms. Sumitra Bafna
March 26, 2013	100	10.00	10.00	Cash	0.00	[●]	Transfer from Ms. Sudha Jain

* Does not account for the outstanding CCDs held by Tano which would be converted prior to the registration of the RHP with the RoC

All the Equity Shares held by our Promoters were fully paid-up on their respective dates of acquisition.

b) Details of build up of Promoters' preference shareholding in our Company

Date of allotment/ transfer	Number of Preference Shares	Face value (₹)	Issue/ Acquisition price per Preference Share	Nature of Consideration	% of pre- Offer preference share capital	Nature of transaction
I. Kalpataru Power Transmission Limited						
October 15, 2007	3,500,000	10.00	10.00	Cash	22.04	Preferential allotment
March 31, 2008	1,000,000	10.00	10.00	Cash	6.30	Preferential allotment
September 18, 2008	8,000,000	10.00	10.00	Cash	50.38	Preferential allotment
December 29, 2010	1,000,000	10.00	10.00	Cash	6.30	Preferential allotment
II. Mr. Aditya Bafna						
March 31, 2008	486,000	10.00	10.00	Cash	3.06	Preferential allotment
March 31, 2012	465,000	10.00	10.00	Cash	2.93	Preferential allotment
III. Mr. Shubhendra Kumar Bafna						
March 31, 2008	486,000	10.00	10.00	Cash	3.06	Preferential allotment
March 31, 2012	415,000	10.00	10.00	Cash	2.61	Preferential allotment
March 26, 2013	45,000	10.00	Nil	-	0.28	Transmission from Ms. Sumitra Bafna
March 26, 2013	176,000	10.00	Nil	-	1.11	Gift from Mr. Gyanendra Bafna

c) Details of Promoters' Contribution locked-in for three years:

An aggregate of 20% of the post-Offer equity share capital (assuming exercise of all vested options under the ESOP Scheme) held by our Promoters shall be considered as promoters' contribution ("Promoters' Contribution") and shall, subject to transfers permitted under the SEBI Regulations, be 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 Exchanges before listing of the Equity Shares.

Our Corporate Promoter being KPTL and other Promoters being Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna have, pursuant to their undertakings dated February 12, 2015, consented to the inclusion of such number of Equity Shares held by them as may constitute 20% of the post-Offer 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, except as permitted under the SEBI Regulations, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the end of the lock-in period specified above. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in	% of pre-Offer Capital	% of post-Offer Capital
KPTL	[●]	[●]	15.00%
Mr. Aditya Bafna	[●]	[●]	2.50%
Mr. Shubhendra Kumar Bafna	[●]	[●]	2.50%
Total	[●]	[●]	20.00%

Our Promoters have confirmed to our Company and the BRLMs that acquisition of the Equity Shares held by our Promoters and which will be locked in as promoters' contribution have been financed from *inter alia* their personal funds, through private placements undertaken by them and/or internal accruals (as applicable) and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons who are classified and defined as 'promoters' of our Company as per the SEBI Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) The Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) The Equity Shares issued to our Promoters upon conversion of a partnership firm; and
- (iv) The Equity Shares held by our Promoters that are subject to any pledge.

For such time that the Equity Shares under the Promoters' Contribution are locked in as per the SEBI Regulations (i.e., for a period of three years from the date of Allotment), the Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Offer and pledge of such Equity Shares is one of the terms of sanction of loan. For such time that the Equity Shares held by our Promoters in excess of the Promoters' Contribution are locked in as per the SEBI Regulations (i.e., for a period of one year from the date of Allotment), they can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions if the pledge of the Equity Shares is one of the terms of the sanction of the loan. For details regarding the objects of the Offer, please see the section titled "*Objects of the Offer*" on page 105.

d) Details of equity share capital locked in for one year

In addition to the Promoters' Contribution, the entire pre-Offer equity share capital of our Company shall be locked-in for a period of one year from the date of Allotment, other than the Equity Shares transferred by way of the Offer for Sale.

e) Lock in of Equity Shares to be Allotted, if any, to the Anchor Investors

Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Offer.

f) Other requirements in respect of lock-in

The Equity Shares under lock-in may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Code, as applicable.

3. Our shareholding pattern

a) The table below represents the shareholding pattern of our Company as on the date of the DRHP:

Description Category of Shareholder	Pre Offer*						Post Offer**			
	Number of equity shareholders	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Equity Shares pledge or otherwise encumbered		Total number of Equity Shares	Total equity shareholding as a % of total number of Equity Shares (A+B+C)	Equity Shares pledge or otherwise encumbered	
					Number of Equity shares	As a %			Number of Equity Shares	As a %
Shareholding of Promoters and Promoter Group (A)										
Indian										
Individuals/Hindu Undivided Family	5	6,270,000	6,270,000	12.76	-	-	[●]	[●]	[●]	[●]
Central Government/State Government (s)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Bodies Corporate	1	35,850,000	35,850,000	72.97	-	-	[●]	[●]	[●]	[●]
Financial Institutions/Banks	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Any Other (Under Trust)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Foreign										
Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Bodies Corporate (OCBs)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Institutions/FII	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Any Other	-	-	-	-	-	-	[●]	[●]	[●]	[●]

Description	Pre Offer*						Post Offer**			
Category of Shareholder	Number of equity shareholders	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Equity Shares pledge or otherwise encumbered		Total number of Equity Shares	Total equity shareholding as a % of total number of Equity Shares (A+B+C)	Equity Shares pledge or otherwise encumbered	
					Number of Equity shares	As a %			Number of Equity Shares	As a %
Total Shareholding of Promoters and Promoter Group (A)	6	42,120,000	42,120,000	85.73	-	-	[●]	[●]	[●]	[●]
Public shareholding (B)										
Institutions (B)(1)										
Mutual Funds / UTI	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Financial Institutions / Banks	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Central Government/State Government(s)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Foreign Portfolio Investors	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Foreign Venture Capital Investor	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Venture Capital Fund	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Insurance Companies	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Sub-Total (B)(1)	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Non-institutions (B)(2)										
Bodies Corporate					-	-	[●]	[●]	[●]	[●]
Non Resident Indians	-	-	-	-	-	-	[●]	[●]	[●]	[●]
OCBs	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Trust	-	-	-	-	-	-	[●]	[●]	[●]	[●]
Individuals	-	-	-	-	-	-	[●]	[●]	[●]	[●]
+Foreign Bodies	1	7,007,876	7,007,876	14.27	-	-	[●]	[●]	[●]	[●]
Others							[●]	[●]	[●]	[●]
Sub-Total (B)(2)	1	7,007,876	7,007,876	14.27	-	-	[●]	[●]	[●]	[●]
Total Public Shareholding	1	7,007,876	7,007,876	14.27	-	-	[●]	[●]	[●]	[●]

Description	Pre Offer*						Post Offer**			
Category of Shareholder	Number of equity shareholders	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Equity Shares pledge or otherwise encumbered		Total number of Equity Shares	Total equity shareholding as a % of total number of Equity Shares (A+B+C)	Equity Shares pledge or otherwise encumbered	
					Number of Equity shares	As a %			Number of Equity Shares	As a %
(B) =		6								
(B)(1)+(B)(2)										
(C) Shares held by custodians and against which Depository receipts have been issued										
Promoter and Promoter Group	-	-	-	-	-	-	[•]	[•]	[•]	[•]
Public	-	-	-	-	-	-	[•]	[•]	[•]	[•]
GRAND TOTAL (A)+(B)+(C)	7	49,127,876	49,127,876	100.00	-	-	[•]	[•]	[•]	[•]

* Does not account for the outstanding CCDs held by Tano which would be converted into Equity Shares prior to the registration of the RHP with the RoC.

** Based on the assumption that all Equity Shares constituting the Offer for Sale are transferred in the Offer and that other shareholders continue to hold the same number of Equity Shares after this Offer.

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

4. Other than as set forth below, none of our Directors or Key Management Personnel hold Equity Shares as on the date of filing this Draft Red Herring Prospectus.

S. No.	Name	No. of Equity Shares	Percentage of shareholding (%)
1.	Mr. Aditya Bafna	2,762,500	5.62
2.	Mr. Shubhendra Kumar Bafna	2,211,500	4.50

5. **Public shareholders holding more than 1% of the pre-Offer paid-up equity share capital of our Company**

Details of the public shareholders holding more than 1% of the pre-Offer paid-up equity share capital of our Company and their pre-Offer and post-Issue shareholding are as follows:

S. No.	Name	Pre-Offer*		Post-Offer	
		No. of Equity Shares	Percentage of shareholding (%)	No. of Equity Shares	Percentage of shareholding (%)
1.	Tano India Private Equity Fund II**	7,007,876	14.27	[•]	[•]

* Does not account for the outstanding CCDs held by Tano which would be converted prior to the registration of the RHP with the RoC

** As on date of this Draft Red Herring Prospectus, Tano holds 70 CCDs, which shall be converted into such number of Equity Shares

based on the PAT of our Company, as shall be calculated in accordance with the Investment Agreement, prior to registration of the Red Herring Prospectus with the RoC. The maximum number of Equity Shares which can result from the conversion of the outstanding CCDs, assuming a conversion before Fiscal 2016, in accordance with the conversion formula in the Investment Agreement is 6,512,811. For more details, please see the section titled "History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholders' Agreements" on page 195.

6. Employee stock option schemes

Our Board and our shareholders, pursuant to resolutions passed at their meetings held on July 31, 2014 and August 25, 2014 respectively, approved the grant of options to eligible employees, pursuant to one or more employee stock option schemes, exercisable into a maximum of 545,590 Equity Shares. Our Board, pursuant to its resolution passed at a meeting held on October 1, 2014 approved the Employee Stock Option Scheme 2014 ("ESOP Scheme") and granted 545,590 options to eligible employees. The details of the ESOP Scheme are as follows:

Particulars	Details																										
No. of Options as at December 31, 2014	545,590																										
Options granted	545,590																										
Pricing formula	The exercise price is as follows: i. When listed, at a price equal to the market price, being latest available closing price, prior to the date of the meeting of the Board, in which options are granted/ shares are issued, on the stock exchange on which the shares of our Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or ii. When unlisted, at a price equal to the fair market value of the shares as on the date of grant, certified by an independent valuer.																										
Exercise price of options (₹)	150.00																										
Total options vested (includes options exercised)	Nil																										
Options exercised	Nil																										
Total number of Equity Shares arising as a result of full exercise of options already granted	Nil																										
Options forfeited/ lapsed/ cancelled	Nil																										
Variations in terms of options	Nil																										
Money realised by exercise of options (in ₹)	Nil																										
Options outstanding (in force)	545,590																										
Person wise details of options granted to	Employees, including Directors and Key Management Personnel may sell the Equity Shares issued upon exercise of options granted under the ESOP Scheme within a period of three months from the date of listing of the Equity Shares. However, the option grantees cannot sell shares arising as a result of exercise before October 1, 2015, being the first vesting date, before which, the options granted cannot be exercised and sold.																										
i) Directors and key managerial employees	<table><tr><th rowspan="2">Name of Employee</th><th colspan="3">No. of options</th></tr><tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr><tr><td>Mr. Vishesh Singhvi</td><td>33,900</td><td>Nil</td><td>33,900</td></tr><tr><td>Mr. Rakesh Gandhi</td><td>33,900</td><td>Nil</td><td>33,900</td></tr><tr><td>Ms. Punita Lodha</td><td>33,900</td><td>Nil</td><td>33,900</td></tr><tr><td>Mr. Sumit Maheshwari</td><td>33,900</td><td>Nil</td><td>33,900</td></tr></table>				Name of Employee	No. of options			Granted	Exercised	Outstanding	Mr. Vishesh Singhvi	33,900	Nil	33,900	Mr. Rakesh Gandhi	33,900	Nil	33,900	Ms. Punita Lodha	33,900	Nil	33,900	Mr. Sumit Maheshwari	33,900	Nil	33,900
	Name of Employee	No. of options																									
		Granted	Exercised	Outstanding																							
	Mr. Vishesh Singhvi	33,900	Nil	33,900																							
	Mr. Rakesh Gandhi	33,900	Nil	33,900																							
	Ms. Punita Lodha	33,900	Nil	33,900																							
Mr. Sumit Maheshwari	33,900	Nil	33,900																								
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<table><tr><th rowspan="2">Name of Employee</th><th colspan="3">No. of options</th></tr><tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr><tr><td>Mr. Vishesh Singhvi</td><td>33,900</td><td>Nil</td><td>33,900</td></tr></table>				Name of Employee	No. of options			Granted	Exercised	Outstanding	Mr. Vishesh Singhvi	33,900	Nil	33,900												
	Name of Employee	No. of options																									
		Granted	Exercised	Outstanding																							
Mr. Vishesh Singhvi	33,900	Nil	33,900																								

Particulars	Details															
	Mr. Rakesh Gandhi	33,900	Nil	33,900												
	Ms. Punita Lodha	33,900	Nil	33,900												
	Mr. Sumit Maheshwari	33,900	Nil	33,900												
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	None															
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard	N.A.															
Vesting schedule	<table><tr><th>Vesting Date</th><th>% of ESOPs</th></tr><tr><td>October 1, 2015</td><td>15%</td></tr><tr><td>October 1, 2016</td><td>15%</td></tr><tr><td>October 1, 2017</td><td>20%</td></tr><tr><td>October 1, 2018</td><td>20%</td></tr><tr><td>October 1, 2019</td><td>30%</td></tr></table>				Vesting Date	% of ESOPs	October 1, 2015	15%	October 1, 2016	15%	October 1, 2017	20%	October 1, 2018	20%	October 1, 2019	30%
Vesting Date	% of ESOPs															
October 1, 2015	15%															
October 1, 2016	15%															
October 1, 2017	20%															
October 1, 2018	20%															
October 1, 2019	30%															
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	₹1,282,312															
Impact on the profits of our Company and on the EPS arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Impact on profits – ₹1,282,312 Impact on EPS – NA															
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price of options whose exercise price exceeds market price of the stock – ₹150 Weighted average fair value of options whose exercise price exceeds market price of the stock – ₹23.47															
Method and significant assumptions used to estimate the fair value of options granted during the year:																
Method used	Black Scholes Option Pricing Model															
Risk free interest rate	8.65%															
Expected Life	4.35 years															
Expected Volatility	0%															
Expected Dividends	0%															
Price of underlying shares in market at the time of Option grant	₹ 127.24															

No employee holds stock options under the ESOP Scheme which upon conversion would constitute more than 1% of the issued equity share capital of our Company.

7. Top 10 equity shareholders

As on the date of this Draft Red Herring Prospectus, our Company has seven equity shareholders. The list of the principal shareholders of our Company and the number of Equity Shares held by them is provided below:

- (a) Our top 10 shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus, are as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of paid-up equity share capital
1.	KPTL	35,850,000	72.97%
2.	Tano India Private Equity Fund II*	7,007,876	14.27%
3.	Mr. Aditya Bafna	2,762,500	5.62%
4.	Mr. Shubhendra Kumar Bafna	2,211,500	4.50%
5.	Ms. Mamta Bafna	663,500	1.35%
6.	Ms. Ridhi Bafna	372,500	0.76%
7.	Shubhendra Kumar Bafna (Karta of Shubhendra Kumar Bafna HUF)	260,000	0.53%
	Total	49,127,876	100.00%

* As on date of this Draft Red Herring Prospectus, Tano holds 70 CCDs, which shall be converted into such number of Equity Shares based on the PAT of our Company, as shall be calculated in accordance with the Investment Agreement, prior to registration of the Red Herring Prospectus with the RoC. The maximum number of Equity Shares which can result from the conversion of the outstanding CCDs, assuming a conversion before Fiscal 2016, in accordance with the conversion formula in the Investment Agreement is 6,512,811. For more details, please see the section titled "History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholders' Agreements" on page 195

- (b) Our top 10 equity shareholders and the number of Equity Shares held by them 10 days prior to filing of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of paid-up equity share capital
1.	KPTL	35,850,000	72.97%
2.	Tano India Private Equity Fund II*	7,007,876	14.27%
3.	Mr. Aditya Bafna	2,762,500	5.62%
4.	Mr. Shubhendra Kumar Bafna	2,211,500	4.50%
5.	Ms. Mamta Bafna	663,500	1.35%
6.	Ms. Ridhi Bafna	372,500	0.76%
7.	Shubhendra Kumar Bafna (Karta of Shubhendra Kumar Bafna HUF)	260,000	0.53%
	Total	49,127,876	100.00%

- (c) Our top ten shareholders and the number of Equity Shares held by them two years prior to filing of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of paid-up equity share capital
1.	KPTL	35,850,000	85.11%
2.	Mr. Aditya Bafna	2,762,400	6.56%
3.	Mr. Shubhendra Kumar Bafna	2,168,000	5.15%
4.	Ms. Mamta Bafna	663,500	1.58%
5.	Ms. Ridhi Bafna	372,500	0.88%
6.	Shubhendra Kumar Bafna (Karta of Shubhendra Kumar Bafna HUF)	260,000	0.62%
7.	Ms. Sumitra Bafna	43,400	0.10%
8.	Ms. Nilu Kankeria	100	0.00%
9.	Ms. Sudha Jain	100	0.00%
	Total	42,120,000	100.00

8. **Sale, purchase or subscription of our Company's Equity Shares by our Promoters, Promoter Group and Directors aggregating to 1% or more of the Pre-Offer equity share capital within the last three years**

Except the allotment of 12,850,000 Equity Shares to KPTL on March 31, 2012 and 1,135,000 Equity Shares to each of Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna on March 31, 2012, there has been no sale, purchase or subscription of our Company's Equity Shares by our Promoters, Promoter Group or Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is

equal to or greater than 1% of the pre-Offer equity share capital of our Company.

9. Our Company, our Directors and the Book Running Lead Managers have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Offer.
10. The Book Running Lead Managers and their respective associates do not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The Book Running Lead Managers and their respective associates are engaged, and, in the future, may engage in transactions with and perform services for our Company and our Subsidiary in the ordinary course of business, including lending transactions, commercial banking and investment banking transactions with our Company and our Subsidiary, for which they may receive customary consideration.
11. Other than allotments pursuant to the ESOP Scheme and allotments pursuant to conversion of CCDs, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed on the Stock Exchanges or until the application moneys are refunded on account of non-listing, under subscription, etc.
12. Our Company has not issued Equity Shares out of its revaluation reserves.
13. Other than the options granted under the ESOP Scheme and the CCDs outstanding, as on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
14. Our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391 to 394 of the Companies Act, 1956.
15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
16. Our Company has not made any public issue of any kind or class of securities since its incorporation.
17. Our Company does not have any intention, proposal or consideration to alter its capital structure by way of split or consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Bid Opening Date, except allotment of Equity Shares under the ESOP Scheme that may vest and be exercised in this period. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.
18. None of our Directors, Promoters, Promoter Group, directors of KPTL, or any of their immediate relatives have purchased or sold any securities of our Company or our Subsidiary, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI, except in relation to purchase of equity shares of our Subsidiary from the directors of KPTL and their immediate relatives. For further details, please see section titled “*History and Certain Corporate Matters*” on page 189.
19. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, Promoter Group, Directors or their relatives have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.
20. Any oversubscription to the extent of 10% of this Offer can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot.

21. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
22. Our Promoters, Promoter Group and Subsidiary will not participate in the Offer.
23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
24. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers. Under-subscription, if any, in the Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted under the Employee Reservation Portion. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.
25. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us to the persons who receive Allotments.
26. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
27. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registration of the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transaction.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and Offer for Sale.

Offer for Sale

The proceeds from Offer for Sale will go to the Selling Shareholder and our Company will not receive any proceeds except reimbursement of issue expenses incurred by the Company on behalf of the Selling Shareholder.

Objects of the Fresh Issue

Our Company proposes to utilise the funds which are being raised through the Fresh Issue for the following objects:

- (a) Part financing the Project Cost of establishing new warehouses;
- (b) Further capitalizing our Subsidiary, PHTCPL;
- (c) Repaying or pre-paying, in full or in part, certain loans availed by our Company; and
- (d) General corporate purposes,

(collectively, referred to herein as the “**Objects**”).

In addition, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The objects clause as set out in the Memorandum of Association enables our Company to undertake the existing activities and the activities for which funds are being raised by us through the Fresh Issue. Further, the loans availed by us which are proposed to be repaid or pre-paid, in full or part, from the Net Proceeds are for activities carried out as enabled by the objects clause of the Memorandum of Association.

Offer Proceeds and Net Proceeds

The details of the proceeds of the Offer are summarized in the table below:

Particulars	Amount (in ₹ Million)
Offer Proceeds	[●]
Offer related expenses*	[●]
Proceeds from Offer for Sale	[●]
Net Proceeds	[●]

* Being the proportion of Offer related expenses to be borne by our Company.

Utilisation of the Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹ Million)
Part financing the Project Cost of establishing new warehouses	500.0
Further capitalizing our Subsidiary, PHTCPL	500.0
Repaying or pre-paying, in full or in part, certain loans availed	700.0
General corporate purposes	[●]

The fund requirements for the Objects, including the number of warehouses proposed to be established are based on internal management estimates. The estimation of Project Costs for establishing new warehouses is based on the report from CRISIL Research dated July 31, 2014 titled ‘Market and Financial Assessment for Agri Warehousing in selected districts of India’ (“**CRISIL DPR Report**”).

Deployment of Net Proceeds

We currently propose to deploy the Net Proceeds in accordance with the schedule set forth below:

(in ₹ Million)

Particulars	Total	Fiscal 2015	Fiscal 2016	Fiscal 2017
Part financing the Project Cost of establishing new warehouses	500.0	-	260.0	240.0
Further capitalizing our Subsidiary, PHTCPL	500.0	-	500.0	-
Repaying or pre-paying, in full or in part, of certain loan availed	700.0	-	700.0	-
General corporate purposes	[●]	-	[●]	[●]

As on date of the DRHP, our Company has not incurred any funds towards any of the above Objects

In view of the competitive environment of the industry in which we operate as well as the competitive nature of the industry, we may have to revise our business plan from time to time and consequently our capital requirements may also change. Our historical capital expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. For further details, please see section titled “Risk Factors – Our management will have flexibility in temporarily investing the Net Proceeds of the Fresh Issue.” on page 46.

In case of any increase in the actual utilisation of funds earmarked for the Objects or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by way of means available to us, including by way of incremental debt or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes in accordance with applicable laws.

Details of the Objects of the Offer

1. Part financing the Project Cost of establishing new warehouses

We propose to undertake our expansion plans in a phased and systematically planned manner and with a contiguous approach from one region to another. Through our proposed expansion plans, we intend to set-up new warehouses which are pre-dominantly in the nature of Hub Warehouses, thereby providing further scope and opportunity for growth and for scaling expansion in the future by way of addition of Spoke Warehouses. In relation to our proposed expansion plans, we have engaged CRISIL to prepare detailed project report in relation to establishing new warehouses. Based on the CRISIL DPR Report, we currently plan to set up warehouses at 20 locations (“**Planned Warehouses**”) aggregating to a capacity of 387,500 MT spread over storable floor plate area of 2,350,000 square feet at the following locations:

Sl. No.	Name of the District and State	Type of warehouse
1.	East Godavari, Andhra Pradesh	Dry warehouse
2.	Krishna, Andhra Pradesh	Dry warehouse
3.	West Godavari, Andhra Pradesh	Dry warehouse
4.	Guntur, Andhra Pradesh	Cold storage
5.	Prakasam, Andhra Pradesh	Cold storage
6.	Karimnagar, Telangana	Dry warehouse
7.	Nalgonda, Telangana	Dry warehouse
8.	Nizamabad, Telangana	Dry warehouse
9.	Warangal, Telangana	Dry warehouse
10.	Khammam, Telangana	Cold storage
11.	Hardoi, Uttar Pradesh	Dry warehouse
12.	Kanpur, Uttar Pradesh	Dry warehouse
13.	Kheri, Uttar Pradesh	Dry warehouse
14.	Sitapur, Uttar Pradesh	Dry warehouse
15.	Shahajahanpur, Uttar Pradesh	Dry warehouse
16.	Raipur, Chattisgarh	Dry warehouse
17.	Durg, Chattisgarh	Dry warehouse
18.	Mahasamud, Chattisgarh	Dry warehouse
19.	Akola, Maharashtra	Dry warehouse

Sl. No.	Name of the District and State	Type of warehouse
20.	Patan, Gujarat	Dry warehouse

The Planned Warehouses will be a combination of dry warehouses and cold storage as indicated above.

Computation of costs

The total cost for establishing Planned Warehouses as per the CRISIL DPR Report is ₹ 2,942.2 million (“**Project Cost**”) which primarily comprises cost towards acquisition of immovable property and civil construction cost (including godown, office building, roads, compound wall, gate and sentry post and electrical fitting costs). The actual amount spent on establishing any Planned Warehouse may vary depending on the location, specification, additional equipment and prevailing construction cost at the time of construction.

In accordance with the CRISIL DPR Report, we intend to meet approximately 72% of the total Project Cost i.e. ₹ 2,113.0 million towards establishing the Planned Warehouses from external debt, and the balance approximately 28% of the total Project Cost i.e. ₹ 829.0 million from other means (i.e. the Net Proceeds and our internal accruals). Accordingly, we propose to deploy an aggregate amount of ₹ 500.0 million from the Net Proceeds for meeting part of the Project Cost for establishing some or all of the Planned Warehouses.

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any amount towards the Project Cost.

Historical cost for establishment of dry warehouse and cold storage

The cost incurred by our Company for establishment of the warehouses owned and operated by the Company between January 1, 2013 and September 30, 2014 is:

(in ₹ Million, except for the storable floor plate area)

Warehouse location	Type of Warehouse	Storable floor Plate Area (in square feet)*	Cost of Acquisition of Land (A)*	Cost of Development of the warehouses (B)*	Total cost (C = A+B)	Subsidy received (D)	Net cost (E = C-D)
Dewas, Madhya Pradesh	Dry warehouse	210,702	64.59	197.87	262.46	6.75	255.71
Itarsi, Madhya Pradesh	Dry warehouse	112,110	44.69	104.84	149.53	4.59	144.94
Jalgaon, Maharashtra	Dry warehouse	130,425	24.97	111.47	136.44	-	136.44
Harda, Madhya Pradesh	Dry warehouse	106,044	27.13	123.24	150.37	4.39	145.98
Neemuch, Madhya Pradesh	Dry warehouse	146,442	52.12	148.29	200.41	6.08	194.33
Vidisha, Madhya Pradesh	Dry warehouse	112,110	32.23	122.46	154.69	4.77	149.92
Sagar, Madhya Pradesh	Dry warehouse	138,174	39.68	151.34	191.02	6.17	184.85
Ujjain, Madhya Pradesh	Dry warehouse	144,888	64.55	146.03	210.58	5.74	204.84

*Based on the certificate received from Banshi Jain & Associates dated February 7, 2015.

Means of finance

The following is a summary of our means of financing for the establishment of the Planned Warehouses:

Particulars	Amount (in ₹ Million)
Funds required for establishing new warehouses*	2,942.2
Funding through the Net Proceeds	500.0
Funds required excluding the Net Proceeds (i.e. balance fund required)	2,442.2
75% of the balance fund required	1,831.6
<i>Of which -</i>	
(a) Limits available through sanction letters**	2,113.1
Funding through internal accruals	329.1

*As per the CRISIL DPR Report.

** We have received sanction letters from Yes Bank and ICICI Bank dated December 23, 2014 and January 20, 2015, for ₹942.1 million and ₹1,171.0 million, respectively.

Accordingly, we confirm that we have made firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Fresh Issue.

Other confirmations

We do not propose to utilise the Net Proceeds to procure any “second-hand” equipment.

We have not entered into any definitive arrangements in relation to acquisition of immovable properties for development of Planned Warehouses. For further details, please see the section titled “*Risk Factor - We intend to utilize a portion of the Net Proceeds of the Fresh Issue to set up warehouses. However, we have not, as of the date of this Draft Red Herring Prospectus, identified the land required for setting-up warehouses. A failure to implement our growth strategies, which may adversely affect our business prospects.*” on page 23.

2. Further capitalizing our Subsidiary, PHTCPL

We have recently acquired a non-banking financial company (“NBFC”), Punarvasu Holding and Trading Company Private Limited (“PHTCPL”) as our wholly owned subsidiary. PHTCPL is acquired with the objective of providing funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses or warehouses approved by PHTCPL.

We propose to invest ₹ 500 million in PHTCPL by way of subscription to PHTCPL’s equity shares of face value of ₹ 100 each at such price as may be determined in accordance with applicable laws. The investment will enable PHTCPL to augment its capital base to meet the capital adequacy requirement and to support future growth of the business.

No dividend from PHTCPL has been assured to us with respect to any of our current and future investments in the equity shares of PHTCPL. Further, PHTCPL does not have a stated dividend policy.

For further details about PHTCPL, please see the section titled “*History and Certain Corporate Matters - Subsidiary*” on page 197.

3. Repaying or pre-paying, in full or in part, certain loans availed

Our Company has entered into financing arrangements with various third parties. These arrangements include a mix of secured and unsecured loans. For details of our debt financing arrangements, please see the section titled “*Financial Indebtedness*” on page 317.

Our Company proposes to utilize an estimated amount of ₹ 700.0 million from the Net Proceeds towards repayment / pre-payment, in full or in part, of certain loans availed by us. We believe that such repayment / prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that this

would improve our leverage capacity and thereby improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of the loans availed by our Company, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

Name of lender/ Nature of borrowing/ Documentation Details	Purpose	Amount sanctioned* (in ₹ Million)	Amount outstanding as on February 1, 2015* (in ₹ Million)	Amount proposed to be repaid/pre- paid from Net Proceeds (in ₹ Million)	Rate of interest*	Repayment Date/ Schedule*	Prepayment penalty* (in ₹ Million)
Kalpataru Power Transmission Limited/ Unsecured corporate loan Loan agreement dated April 10, 2013 and supplemental loan agreement dated June 13, 2013	For use by the Company in present and future business	1,700	617.77	500.0	Lender's rupee cash credit rate plus 1% p.a., where lender's rupee cash credit rate is lender's lead bank base rate plus spread, 11.20% p.a. plus 1% p.a. as on February 1, 2015.	After March 31, 2016 with repayment schedule as may be mutually agreed	Not applicable
Loan from Yes Bank Loan agreement dated August 25, 2014 and credit facilities letter dated June 30, 2014	Part financing/ reimbursement of expenditure towards setting up of an agro processing unit for processing of cumin seeds, ground nuts and sesame seeds in Netra, Jodhpur.	320	207.39	200.0	Yes Bank base rate plus spread, 10.75% p.a. and 0% p.a. as on February 1, 2015.	Repayment in 32 quarterly installments after completion of a moratorium period of 24 months.	Not applicable**
Total				700.0			

**Based on the certificate from Kishan M. Mehta & Co., Chartered Accountants dated February 10, 2015. Further, Kishan M Mehta & Co., Chartered Accountants have also certified that our Company has utilised the loans for the purposes for which the loans were availed. Further, as per the certificate from Kishan M Mehta & Co. Chartered Accountants dated February 12, 2015, out of the proceeds of the loan availed from KPTL, the Company has utilised ₹*

52.85 million for purchase of land parcels at the Pali, Bhilwara and Pratapgarh, which were purchased with the objective of participating in warehousing tenders floated by Rajasthan State Warehousing Corporation under Private Entrepreneur Godown - 2008. The Company undertakes not to repay such amount, aggregating to ₹ 52.85 million from the Net Proceeds.

**** Pursuant to letter dated February 3, 2015 received from Yes Bank.**

We may choose not to repay or prepay the loans from the Net Proceeds to the extent specified above, in the event of a shortfall of the Net Proceeds. In the event the Net Proceeds are not sufficient for the said payment of pre-payment penalty, such payment shall be made from our internal accruals. The amount of Net Proceeds proposed to be utilized for repayment / pre-payment of each the aforementioned loans availed by our Company will be calculated based on the amount outstanding under each of the loans as on the actual date of repayment / pre-payment, subject to any conditions attached to the borrowings.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, our Company may, from time to time, enter into further financing arrangements and draw down funds thereunder, or draw down further funds under the existing financing arrangements. In such cases or in case any of the above loans are repaid or further drawn-down, our Company may utilize this component of the Net Proceeds towards repayment of such additional indebtedness. The Net Proceeds for the above stated object may also be utilised for the repayment and/or pre-payment of any such further borrowings and refinancing.

4. General corporate purposes

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

Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The Offer related expenses consist of fees payable to the BRLMs, underwriting commission, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Escrow Banks' and Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The Offer expenses shall be shared between our Company and the Selling Shareholder, in the proportion to the proceeds of Equity Shares offered by our Company and the Selling Shareholder in the Offer. The Selling Shareholder undertakes to reimburse to the Company, its portion of the expenses, out of the proceeds of the Offer for Sale, calculated in the manner stated herein.

The break-up for the Offer expenses is as follows:

S. No.	Activity Expense	Amount* (₹ in million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
1.	Fees of the BRLMs, underwriting commission, brokerage and selling commission	[●]	[●]	[●]

S. No.	Activity Expense	Amount* (₹ in million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
2.	Processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[•]	[•]	[•]
3.	Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[•]	[•]	[•]
4.	Fees to the Registrar to the Offer	[•]	[•]	[•]
5.	Listing fees and other regulatory expenses	[•]	[•]	[•]
6.	Other expenses (Legal advisors, Auditors and other Advisors etc.)	[•]	[•]	[•]
	Total Estimated Offer Expenses	[•]	[•]	[•]

* To be completed after finalisation of the Offer Price

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will have significant flexibility to temporarily invest the Net Proceeds in interest/ dividend bearing liquid debt instruments including investments in debt mutual funds and other financial products, such as principal protected funds, listed debt instruments, rated debentures or deposits with banks/ other entities. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Monitoring of Utilisation of Funds

Since the proceeds from the Fresh Issue are less than ₹ 5,000.0 million, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Audit Committee and our Board of Directors will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details for such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to the Offer.

Pursuant to clause 49 of the Listing Agreement, we shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, we shall prepare a statement of funds utilised for the stated purposes and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the statutory auditors of our Company.

In accordance with Clause 43A of the Listing Agreement, our Company would be required to inform material deviations in the utilisation of Offer Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit Committee public through advertisement in newspapers.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer 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 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. In accordance with the Companies Act 2013 and applicable rules, 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. For further details, please see section titled “Risk Factors- Any variation in the

utilization of the Net Proceeds as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval” on page 45.

Appraising Entity

The objects of this Offer have not been appraised.

Other confirmations

Except in relation to repayment/pre-payment, in full or in part, of unsecured loan availed from KPTL and payments made in the normal course of business and in compliance with applicable law, no part of the Net Proceeds will be paid by our Company as consideration to the Promoters, Directors, members of the Promoter Group, Group Companies, associates or key managerial personnel.

The CRISIL DPR Report has assumed a subsidy for the warehouse as per the Agriculture Marketing Infrastructure (AMI) sub scheme of Integrated Scheme of Agricultural Marketing (“ISAM”) for the XII Plan period (2012-17) and operated by NABARD. However, pursuant to circular no. 141/DoR42/2014 dated August 7, 2014, NABARD has decided to stop sanction of subsidy for time being for new projects in the remaining period of 2014-2015 under Agriculture Marketing Infrastructure (AMI) sub scheme of Integrated Scheme of Agricultural Marketing. For further details, please see the section titled “*Risk Factor - We benefit from certain subsidies, which may not be available to us in the future. Loss of these subsidy benefits may result in a decrease in our margins*” on page 49. Further, please see the section titled “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Disclaimer*” in relation to the disclaimer for the CRISIL DPR Report on page 13.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 153, 17 and 237 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Our Company undertakes an array of activities across the post-harvest value chain for agri-commodities based on an integrated business model. Our activities include warehousing, procurement, primary processing, trading, collateral management, funding facilitation, funding, testing & certification, and pest management in relation to agri-commodities. Our activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Through our integrated business model, we believe that we are able to create value in the post-harvest value chain.

Our operations are focused on the Midstream Segment (and wholesale distribution of agri-commodities), and are broadly classified as follows: (i) warehousing services (dry and cold); (ii) commodities procurement, primary processing & trading; (iii) collateral management & funding facilitation; and (iv) testing & certification and pest management services. Each of these activities is synergistic with each other and provides our customers the convenience of availing various services under one roof.

We believe the following are our core competitive strengths:

- Integrated business model
- High quality owned warehouses and robust warehousing operations
- Growth and capital efficiency through diversity in the nature of rights and hub & spoke model
- Our Promoters and professional management
- Proven track record

For further details, please see the section titled “*Our Business – Competitive Strengths*” on page 155.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI Regulations. For details, please see the section titled “*Financial Statements*” on page 237.

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

1. Earnings Per Share (EPS)

As per our Restated Financial Statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2012	0.51	0.51	1
March 31, 2013	3.48	3.48	2
March 31, 2014	4.98	4.59	3
Weighted Average	3.74	3.54	
September 30, 2014*	0.97	0.94	

Notes:

- (1) *Not annualised
- (2) Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 'Earnings per Share' notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended).

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on basic EPS as per the Restated Financial Statements for FY 2014	[●]	[●]
Based on diluted EPS as per the Restated Financial Statements for FY 2014	[●]	[●]

Industry PE ratio

There are no listed entities similar to our line of business and comparable to our scale of operations.

3. Return on Net Worth ("RoNW")

As per Restated Financial Statements:

Particulars	RoNW %	Weight
Year ended March 31, 2012	3.46	1
Year ended March 31, 2013	26.92	2
Year ended March 31, 2014	20.80	3
Weighted Average	19.95	
September 30, 2014*	3.94	

*Not annualised

4. Minimum RoNW after the Offer needed to maintain pre-Offer basic and diluted EPS for the year ended March 31, 2014:

Particulars	At Floor Price	At Cap Price
To maintain pre-Offer basic EPS		
Restated Financial Statements	[●]%	[●]%
To maintain pre-Offer diluted EPS		
Restated Financial Statements	[●]%	[●]%

5. Net Asset Value per Equity Share of face value of ₹ 10 each

- (i) Net asset value per Equity Share as on March 31, 2014 as per Restated Financial Statements is ₹ 23.53 and as on September 30, 2014 is ₹ 24.54.
- (ii) Offer Price: ₹ [●].
- (iii) Net asset value per Equity Share after the Offer is ₹ [●].
- (iv) After the Offer as per Restated Standalone Financial Information:
 - a. At the Floor Price: ₹ [●]
 - b. At the Cap Price: ₹ [●]

Bidders should note that a discount of ₹ [●] to the Offer Price is being offered to Eligible Employees.

6. Comparison with Listed Industry Peers

There are no listed entities similar to our line of business and comparable to our scale of operations.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with the sections titled “*Risk Factors*” and “*Financial Statements*” on pages 17 and 237, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Shree Shubham Logistics Limited
A 1 - 2,
GIDC Electronic Estate,
Sector – 25,
Gandhinagar,
Gujarat – 382 004

Dear Sirs,

Sub: Possible tax Benefits available to Shree Shubham Logistics limited and its Shareholders.

We hereby confirm that the enclosed annexure, states the possible tax benefits available to the Shree Shubham Logistics Limited (‘ the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘ Act’) as amended and other direct and indirect tax laws 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 tax benefits is dependent upon fulfilling such conditions, which based on the business.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated 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 hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

- the Company or the shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met with; and
- The revenue authorities/courts will concur with the views expressed herein

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

Yogesh G Shah

Partner

Membership No. 40260

Ahmedabad

Date: 2nd February 2015

Statement of Possible Tax Benefits Available to Shree Shubham Logistics Limited and its Shareholders

Outlined below are the possible tax benefits available to the Company and its shareholders under the current direct and indirect tax laws in India for the Financial Year 2014-15.

(I) Tax benefits available under the Income Tax Act, 1961

A. Tax Benefits to the Company under the Act

A1. Specific Tax Benefits to the Company under the Act

The company may avail benefit under section 35AD of the Act on fulfilment of relevant conditions prescribed thereunder.

A2. General Tax Benefits to the Company under the Act

- Business income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Unabsorbed Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 r.w.s 72 of the Act.

- Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being securities (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an company for more than 12 months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.
- Short-term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an company for 12 months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an company for 36 months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section. However, such income shall be taken into account in computing book profit under section 115JB of the IT Act

- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively in connection with the transfer is also deductible.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit) or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the company.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 10% where the taxable income of a domestic company exceeds INR 100,000,000 and by 5% where the taxable income of a domestic company exceeds INR 10,000,000 but is less than INR 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(ii) Exemption of capital gains from income tax

- Under Section 54EC of the Act, capital gain arising from transfer of long-term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer, in bonds redeemable after three years and issued by:
 - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long-term asset cannot exceed INR 5,000,000 whether made in the Financial Year when the asset or assets are transferred or in a subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- Securities Transaction Tax (STT)
 - As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.
- Dividends
 - As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.
 - However, effective from 1st October, 2014 dividend distribution tax would be paid after grossing up the net distributed profits by the company.
 - Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O(1A) of the Act, if:
 - the dividend is received from its domestic subsidiary and the subsidiary has paid the DDT payable on such dividend; or
 - The dividend is received from a foreign subsidiary, the Company has paid tax payable under section 115BBD.
 - However, the same amount of dividend shall not be taken into account for reduction more than once
 - As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per provisions of Section 80G/80GGB of the Act, the Company is entitled to claim deduction of specified amount in respect of eligible donations and contribution to any political party, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess). No deduction in respect of any expenditure or allowance shall be allowed to the Company under any provisions of the Act.

B. Tax Benefits to the shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) read with section 115-O of the Act, dividend (both interim and final), if any, received by the shareholders from the Company is exempt from tax.

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being securities (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an company for more than 12 months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond, held by an company for 12 months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an company for 36 months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively with the transfer is also deductible.
- In respect of a non-resident shareholder, as per the first proviso to section 48 of the Act, the capital gains arising from the transfer of a capital asset being shares or debentures in an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency
- Further, the benefit of indexation as provided in second proviso to Section 48 is not available to nonresident shareholders.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20%.

- If such tax payable on LTCG on transfer of the shares exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the company.
 - As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
 - STCG arising in any other case or arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%/40%, as applicable.
 - The tax rates mentioned above stands increased by applicable surcharge depending on the status of the tax payer (i.e. resident or non-resident). Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
 - As per provisions of Section 71 read with Section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
 - As per provisions of Section 71 read with Section 74 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent 8 assessment years.
 - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- (ii) Exemption of capital gains from income tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long-term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
 - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long-term asset cannot exceed INR 5,000,000 per company, whether made in the Financial Year when the asset or assets are transferred or in a subsequent financial year.
 - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
 - In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF'). As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Tax treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

(d) Non-resident Indian taxation

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
 - NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
 - Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
 - As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
 - As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VIA of the Act.
 - As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
 - As per provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
 - As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
 - As per provisions of Section 115-I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a

situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

C. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) read with section 115-O of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax.

(b) Long term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.

(c) Capital gains

- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows, subject to conditions specifies therein:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- For corporate FIIs, the tax rates mentioned above would have to be increased by applicable surcharge, payable at the rate of 5% where the taxable income company exceeds INR 100,000,000 and by 2% where the taxable income of INR 10,000,000 but is less than INR 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

(d) Others

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- Income in respect of interest referred in section 194LD (interest on certain bonds and government securities) is taxable at the rate of 5%.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. However, as per the provisions of section 2(14) of the Act, securities held by FIIs in accordance with the SEBI regulations will be regarded as Capital Asset and not as stock in trade.

(e) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profit and gains of business or profession’. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(f) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial.

D. Benefits available to Mutual Funds under the Act

(a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- (b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

E. Benefits available to Venture Capital companies/Funds under the Act

In terms of section 10(23FB) of the Act all Venture capital companies/Funds registered with SEBI, subject to conditions specified, are eligible for exemption under the Act on all their income, including profits on sale of shares of a company.

Expenditure incurred on exempt income:

As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(II) Tax Benefits available under the Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

(III) Tax Benefits available under the Customs Act, 1962

- Duty Drawback, as provided in Section 75 of the Customs Act, 1962, in respect of the duties and taxes suffered on the inputs and input services while exporting the goods from India
- Exemptions from payment of Basic Customs Duty on the importation of certain Agri Commodities which may be subject to fulfillment of certain conditions

- Exemption from additional duty of customs leviable, under Section 3 (5) of the Customs Tariff Act, 1975, on goods imported into India for subsequent sale, subject to conditions.

(IV) Tax Benefits available Finance Act, 1994 (for the levy of Service Tax)

- Warehousing of agricultural produce is not liable to Service Tax, since it is covered by negative list of service Section 66D(d)(v)
- Services of commission agent for sale or purchase of agricultural produce are not liable to Service Tax, since it is covered by negative list of service Section 66D(d)(vii)
- Service of transportation of goods through own vehicles will not be subject to Service Tax, since it is covered by negative list of service Section 66D(p)
- Export of services will not be subject to Service Tax, subject to conditions
- Exemption from payment of Service Tax on the service of warehousing of products like rice, ginned/baled cotton, vide Sr. No. 40 of Notification 25/2012 dated June 20, 2012
- Exemption from payment of service tax under reverse charge mechanism on the service component in the construction of post-harvest storage infrastructure for agricultural produce, vide Sr. No. 14(d) of Notification 25/2012 dated June 20, 2012
- Exemption from payment of service tax under reverse charge for transportation of agricultural produce, chemical fertilizer, organic manure, oil cakes, cotton (ginned/baled), vide Sr. No. 21 of the Notification 25/2012
- Rebate of service tax paid on the services received and used for export of goods vide Notification 41/2012 dated June 29, 2012

(V) Tax Benefits under the Foreign Trade Policy, 2009-14

- Duty Credit Scrip, under the scheme of Vishesh Krishi and Gram Udyog Yojana (VKGUY) at given rate of the FOB value of export of specified products
- Duty Credit Scrip, under the Focus Product Scheme (FPS), at given rate of the FOB value of export of specified goods
- Duty Credit Scrip, under the Focus Market Scheme (FMS), at given rate of the FOB value of export of products to the specified countries

(VI) Tax Benefits under the State VAT legislations

- The benefits under VAT are qua goods and differs from State to State. Hence, we are covering only those States wherein the Company is having prominent presence in respect of Exempted Commodities as on date.
- Exemption from payment of VAT on sale of goods like Cumin Seed, cereals and pulses; Manure, that is to say Organic manure (excluding chemical fertilizers, oil cakes or de-oil cakes); and such other goods listed in Schedule I to the Gujarat VAT Act, 2003, subject to fulfilment of the conditions specified therein

- Exemption from payment of VAT on sale of goods like Guar Seed, Guar Refined Dal or split, Guar Gum Power, Dhencha and Punwad; Cumin seed and aniseed; and such other goods as listed in Schedule I to the Rajasthan VAT Act, 2003, subject to fulfilment of the conditions specified therein

Note: All the above benefits are as per the current tax laws.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from a report titled “Industry Report on Key Aspects of Agricultural Supply Chain in India” dated January 19, 2015 prepared by CRISIL Limited (“CRISIL”) (“CRISIL Industry Report”). The data from the report may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Offer has independently verified the information provided in this chapter. Industry sources and publications referred to in this section generally state that the information contained therein has been obtained from sources generally believed to be reliable but that their accuracy, completeness and underlying assumptions are not guaranteed and that their reliability cannot be assured, and that investment decisions should not be based on such information. Data cited from CRISIL with respect to a year, if stated as a Fiscal year, refers to the 365 day period ended on 31 March of the relevant year under reference.

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Overview of Indian Economy and Agriculture Sector in India

Overview of the Indian economy in the last decade

The Indian economy experienced growth rates of over 9% during the period of Fiscal 2006 to Fiscal 2008, which was primarily attributable to the strong performance of services and industry sectors. The high growth period was followed by a dip in Fiscal 2009, which was mainly an effect of the financial crisis. Positive response to monetary and financial stimulus led the economy back towards strong growth during Fiscal 2010 and Fiscal 2011. However, the growth rate again witnessed a fall during the subsequent years starting from Fiscal 2012, during which period the growth rate fell to 5%. Decline in investments in key sectors was the major reason behind the slowdown.

CRISIL believes that growth can improve to 5.5% in Fiscal 2015 if the global recovery continues apace. The International Monetary Fund predicts that global economic growth will rise to 3.6% in 2014 and 3.9% in 2015 from 3% in 2013. In effect, India’s potential as a long-term destination for foreign investment still remains fairly strong. In India, a pick-up in growth will be aided by implementation of stalled projects and a recovery in industry driven by higher external demand. CRISIL also expects some improvement in services growth, especially in sectors such as trade, transport and banking in Fiscal 2015, led by a rise in exports (in the information technology and related services sectors) as well as a positive trend in industrial output growth. Easing inflation and expectations of a bumper *rabi* crop in Fiscal 2015 (which will drive up farm incomes) will also support recovery. Agricultural output is expected to grow by 3% and industry by 4%. CRISIL expects the services sector to grow by around 7% in Fiscal 2015.

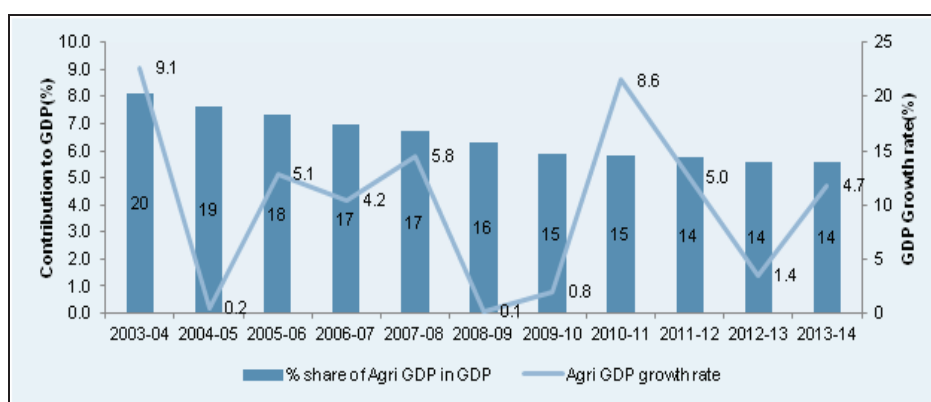
Any recovery will be gradual. Even with an improvement in private sector sentiment and a reversal of the downturn in the investment cycle, the benefits will take time to materialize because of the long gestation periods involved in many projects and a sharp narrowing of project pipelines. Moreover, the financial sector requires an effective audit

and rectification of its balance sheets (especially infrastructure loans). The risks to CRISIL's forecast include a failure to revitalise the economy (clearing stalled projects and boosting mining) and sub-par monsoons and any slowdown of global economic growth.

Overview of the agricultural sector in India

India essentially has been an agriculture based economy. Around 60% of the country's population depends directly on agriculture. With 13.9% share, the sector is one of the most important contributors to the national gross domestic product ("GDP") along with service and industry.

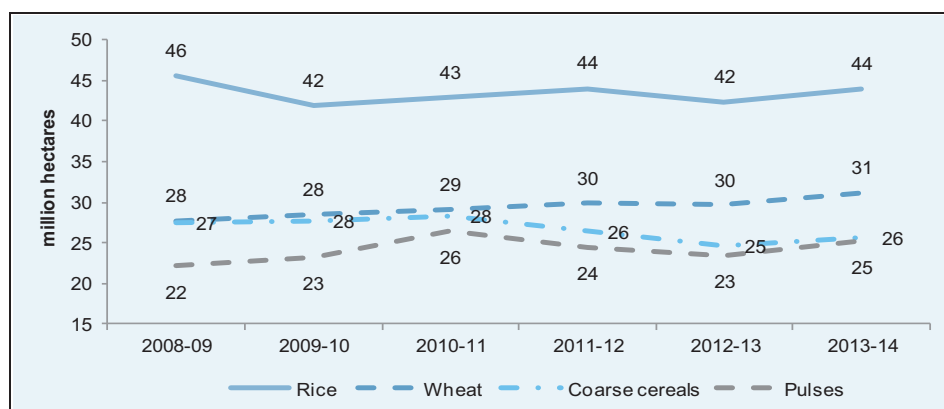
The share of agriculture and allied sectors in the national GDP was around 41% in Fiscal 1971 falling to around 29% in Fiscal 1991 and touched around 22% at the beginning of the 21st century. This trend is attributed to a gradual shift in India from being an agriculture based economy to an industry and services based one. During the past decade, the share of agriculture has decreased to around 14% in Fiscal 2014. The following graph indicates the growth rate of and the share of the agriculture sector in the Indian economy in the last ten years:



Source: Reserve Bank of India ("RBI") and CRISIL (Fiscal 2014 values are based on advanced estimates).

Land area under cultivation

A major portion of the cultivated land in India is dedicated to the production of food grains. The total area under food grain cultivation increased to 126 million hectares in Fiscal 2014 as compared to 120.20 million hectares recorded during Fiscal 2013. The following table summarizes the growth in the land area under cultivation for certain food grains from Fiscal 2009 to Fiscal 2014:



Source: RBI (Fiscal 2014 values are based on advanced estimates).

Production of food grains

India's food grain production (rice, wheat, coarse cereals, and pulses) is estimated to have reached 264.80 million metric tonnes ("MMT") during Fiscal 2014. In line with area under cultivation, commercial crops performed slightly better than food grains in terms of growth in production. Food grain production grew at 2.5% compounded annual growth rate ("CAGR") during the period between Fiscal 2009 to Fiscal 2014, while growth for oil seeds was approximately 4% and cotton was 10%.

In Fiscal 2014, the share of Uttar Pradesh in total food grain production was 19% followed by Punjab with 11% share and Madhya Pradesh with 9% share. The following table indicates: (a) quantity of production (in MMT) in certain key states in India since Fiscal 2009, and the corresponding CAGR; and (b) the share in production of food grains of certain key states in India in Fiscal 2014:

State	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	CAGR*
Andhra Pradesh	20.4	15.8	20.2	18.4	17.9	20.1	-0.3%
Bihar	12.2	10.6	9.9	14.1	15.6	13.2	1.5%
Gujarat	6.5	6.1	7.9	9.1	7.3	8.2	4.9%
Karnataka	11.3	10.6	13.3	12.2	10.9	12.2	1.5%
Madhya Pradesh	13.9	14.2	15.0	19.0	23.4	24.2	11.7%
Maharashtra	11.4	12.9	15.1	12.3	10.7	13.9	4.0%
Punjab	27.3	27.3	27.2	28.4	28.1	28.9	1.1%
Rajasthan	16.7	11.3	18.7	19.0	18.0	18.3	1.9%
Uttar Pradesh	46.7	44.0	47.2	50.3	50.8	50.0	1.4%
West Bengal	16.3	16.1	13.7	16.3	16.5	17.1	0.9%

*CAGR for Fiscal 2009 to Fiscal 2014. Source: RBI and CRISIL.

Production of certain key commercial crops

The following table indicates the production (in MMT) of certain commercial crops in India since Fiscal 2009:

Commodity	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Oilseeds:						
<i>Groundnut</i>	7.2	5.4	8.3	7.0	4.7	9.7
<i>Rapeseed & Mustard</i>	7.2	6.6	8.2	6.6	8.0	8.0
<i>Soyabean</i>	9.9	10.0	12.7	12.2	14.7	12.0
<i>Sesame Seeds</i>	0.6	0.8	0.8	0.8	0.6	0.7
Oilseed Total	24.9	22.8	29.9	26.5	28.0	30.3
Coffee	0.3	0.3	0.3	0.3	0.3	0.3
Cotton (Lint)	3.8	4.1	5.6	6.0	5.8	6.2
Raw Jute & Mesta	1.9	2.1	1.9	2.1	2.0	2.1
Cumin	0.3	0.3	0.4	0.5	0.4	NA

Source: RBI (Fiscal 2014 values are based on advanced estimates), Spices Board India ("SpBI"), Indian Oilseeds and Produce Export Promotion Council ("IOPEPC").

Horticultural production

Total horticulture production (fruits and vegetables) of India was 243 MMT in Fiscal 2013 with 16 million hectares of area under cultivation.

The total production of vegetables in Fiscal 2013 was around 162 MMT. The total area under vegetables cultivation was 9.2 million hectares in Fiscal 2013. The CAGR of vegetable production during Fiscal 2009 to Fiscal 2013 was 6%. With 28%, potato had the highest share in vegetable production, which was followed by tomato at 11% and onion at 10%.

Production of fruits in Fiscal 2013 was 81 MMT. The area under fruit cultivation was 6.9 million hectares in Fiscal 2013. CAGR of fruit production was 4% from Fiscal 2009 to Fiscal 2013. Banana had the highest share in total fruit production at 33% while mango had the next highest share with 22%.

India's export of agri-commodities

The trend in agricultural exports was constant until Fiscal 2011 after which it increased. In Fiscal 2013, the total quantity of agricultural exports increased to 30 MMT as against 19 MMT in Fiscal 2012 and dropped marginally in Fiscal 2014. The following table indicates the quantity exported by India in MMT since Fiscal 2010 as per Agricultural and Processed Food Products Export Development Authority (“APEDA”):

Commodity	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Rice	2.2	2.5	7.2	10.1	10.9
Wheat	~0	~0	0.7	6.5	5.6
Fresh Vegetables	2.1	1.7	2.0	2.4	2.4
Other Cereals	0.3	0.2	0.2	0.7	0.7
Pulses	0.1	0.2	0.2	0.2	0.3
Dry Fruits	0.8	0.8	0.8	0.9	0.8
Total (APEDA)	11	11	19	30	30

Source: APEDA. Quantity in MMT.

The following table indicates the quantity of key oilseeds exported by India since Fiscal 2010 as per IOPEPC:

Commodity	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	CAGR*
Groundnuts	340	434	833	536	510	11%
Sesame Seeds	216	398	389	299	257	5%
Mustard / Rapeseeds	15	14	37	32	39	28%
Niger Seeds	6	13	28	18	21	37%
Safflower Seeds	NA	NA	10	12	15	NA
Sunflower Seeds	5	4	5	5	4	(-2.9%)
Total (IOPEPC commodities)	NA	NA	1,307	902	843	NA

Source (excluding CAGR details): IOPEPC. Quantity in '000 tonnes. CAGR is for Fiscal 2010 to Fiscal 2014.

The following table indicates the quantity of spices exported by India since Fiscal 2010 as per the SpBI:

Commodity	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	CAGR*
Dried Chilies	204	240	241	301	313	11%
Cumin	50	33	46	86	122	25%
Turmeric	51	49	80	89	78	11%
Coriander	47	41	28	36	46	(-0.8%)
Fenugreek	21	19	22	30	36	14%
Total (all spices)	503	526	575	727	817	12.9%

Source (excluding CAGR details): SpBI. Quantity in '000 tonnes. CAGR is for Fiscal 2010 to Fiscal 2014.

Quality and other technical requirements impacting agri-exports

Large importing countries of agri-commodities and food items have defined regulations governing imports that impact exporting countries like India. Typically, quality standards, testing, labelling and certification requirements are imposed on exporters. These often translate into Sanitary and Phytosanitary (SPS) measures to protect against risks. For example, the European Union regulations define strict rules for use of preservatives, additives and active substances along with rules for maintaining maximum residue limits and labelling. The import regulations are governed by a set of regulatory authorities.

Key indicative measures and approaches to mitigate the above mentioned risks include:

- post-harvest treatment and mitigation requirements (e.g., chemical and other treatment options, including fumigation and quarantine);
- implementation of food laws, including quality standards, food safety, and industrial standards;

- certification schemes, including organic certification and marketing and labelling requirements, such as health-related claims and country-of-origin;
- inputs, process and product standards, including domestic content and mixing requirements, and rules of origin requirements; and
- packaging standards.

The above requirements and measures place strong emphasis on the integrity of the complete agricultural value chain.

India, being a key producer of agri-commodities in the world has good potential to become a global leader in agri-exports. However, improvement in certain areas will be critical for India to be a reliable exporter in terms of quality and quantity, including:

- *Development of infrastructure:* Development of facilities such as cold storages, connectivity infrastructure and export oriented infrastructure such as ports and inland container depots are important to ensure the quality and timely delivery of the commodities.
- *Development of standard grading system:* Implementation of a standard grading system which is uniform at all levels of the value chain will be crucial in strengthening trust between the sellers and the buyers eventually improving the marketability of the product.
- *Quality control:* Traditional farmers are dependent upon conventional methods of handling and storing of their produce. A considerable amount of produce is damaged due to rough handling, improper packaging practices and lack of hygiene. Development and implementation of standard operating procedures at each level of the agricultural value chain will be important to ensure that the quality of the products is maintained.
- *Development of food parks:* The key barrier for small scale private players looking to enter agriculture based businesses like food processing is the high cost involved in accessing or creating the ancillary facilities. Development of food parks having facilities such as cold storage, warehouse, quality control labs, and effluent treatment plants will encourage participation of small scale private players in the food processing industry.
- *Participation of corporate entities:* Participation of corporate entities will ensure higher investments in infrastructure and technology. Also, the brand name of the corporate entities will improve marketability.
- *Market information network:* A strong market information network is important in keeping the market participants updated about the present trends in quality and pricing.
- *Technology:* Development and adoption of new technology will be crucial in improving the productivity and quality of agricultural output.
- *Trained human resources:* Supply of specialized and well trained human resources is necessary in ensuring the quality of the agricultural products.

Imports of agri-commodities

Indian agricultural imports have exhibited a fluctuating trend over the years. The imports have been averaging at 5.6 MMT since Fiscal 2010. Total agricultural imports are estimated at 5.5 MMT for Fiscal 2014. The highest contributor to agricultural imports is pulses, accounting for 58% of total imports during Fiscal 2014, followed by dry fruit accounting for 28%. Peas, chick peas, beans, lentils, kidney beans, tur and dried leguminous vegetables are the key pulses imported by India. Canada, Myanmar, Australia, United States and Russia are the major exporters of pulses to India.

The below table indicates the quantity of agri-commodities imported by India in MMT since Fiscal 2010 as per APEDA:

Commodity	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Pulses	3.8	2.8	3.5	4.0	3.2
Fresh Fruits	0.5	0.5	0.6	0.7	0.7
Dry Fruits	1.3	1.2	1.5	1.7	1.6

Source: APEDA. Quantity in MMT.

The below table indicates the quantity of oil seeds imported by India since Fiscal 2010 as per IOPEPC:

Commodity	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Sesame Seeds	9.2	8.7	0.6	38.1	72.9
Mustard / Rapeseeds	0.3	0.2	0.1	0	0.2
Sunflower Seeds	~0	~0	~0	1.4	1.1
Groundnuts	~0	1.7	0.7	~0	~0
Total	10.1	10.6	1.4	39.5	74.3

Source: IOPEPC, DGCIS. Quantity in '000 tonnes.

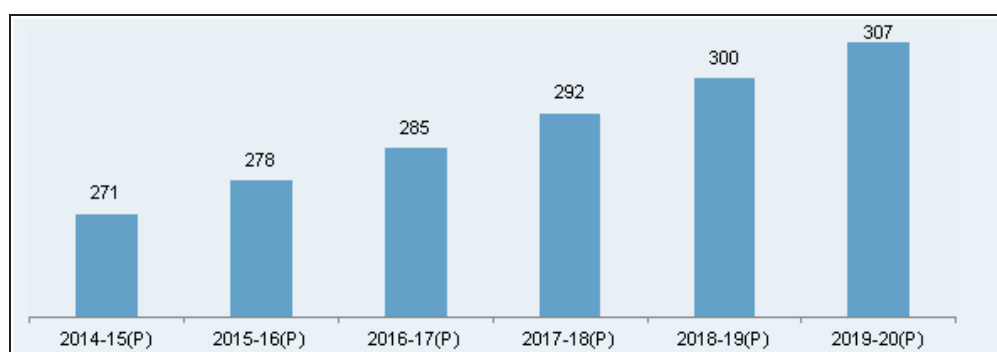
The following table indicates the quantity of spices imported by India since Fiscal 2010 as per SpBI:

Commodity	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	CAGR
Ginger Fresh/Dry	27.3	21.5	16.9	57.1	36.4	8%
Cassia	13.0	11.0	15.7	12.2	18.2	9%
Poppy seeds	11.8	9.1	24.1	11.6	14.8	6%
Clove	9.6	7.0	12.2	10.1	10.9	3.4%
Cumin	1.6	0.5	0.7	~0	0.6	(-23)%
Total (all spices)	106.7	86.8	111.1	131.7	130.0	5.1%

Source (excluding CAGR details): SpBI. Quantity in '000 tonnes. CAGR is for Fiscal 2010 to Fiscal 2014.

Growth drivers and outlook for food grain production

Historically, Indian agriculture has been impacted by a variety of factors including irrigation investments, rainfall and water availability, prices of crop inputs, choice of crops / shift to other crops and availability of financing and government schemes. It is expected that crop production will continue to be impacted by similar factors and potentially benefit from progressive approaches such as better crop inputs, involvement of corporate entities / organised market players and better control over crop damaging elements. Food grain production is expected to reach 271 MMT in Fiscal 2015 and 307 MMT in Fiscal 2020, as depicted in the following graph, at a CAGR of 2.5%.



Source: CRISIL. Quantity in MMT.

Key government plans and initiatives for agriculture sector

The following points summarize certain key government policies in relation to the agriculture sector (source: Ministry of Agriculture and CRISIL):

- *Price Support Scheme (PSS)*: PSS is aimed at minimizing the effects of unstable and volatile market conditions by reducing the losses incurred by farmers. It ensures remunerative prices for agricultural produce. The government sets minimum support prices for commodities during two agricultural seasons.
- *Foreign Direct Investment (FDI)*: India permits 100% FDI through automatic route in Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisciculture, Aquaculture, cultivation of vegetables and mushrooms and services related to agricultural and allied sectors.
- *Integrated Scheme for Agricultural Marketing (ISAM)*: ISAM aims to enable farmers to get access to competitive markets along with adequate storage and logistics infrastructure and to provide better quality food to consumers at reasonable prices. The sub-schemes under ISAM include Agriculture Marketing Infrastructure (AMI), Agribusiness Development through Venture Capital Assistance and Project Development Facility (VCA) and Strengthening of Agmark Grading Facilities (SAGF). The main objectives of AMI are to build agriculture marketing infrastructure, encourage private and co-operative sector investments to promote alternative marketing infrastructure, provide infrastructure facilities for grading, standardization and quality certification of agricultural produce and promote vertical integration of value chain up to the primary processing level.

Key risks factors

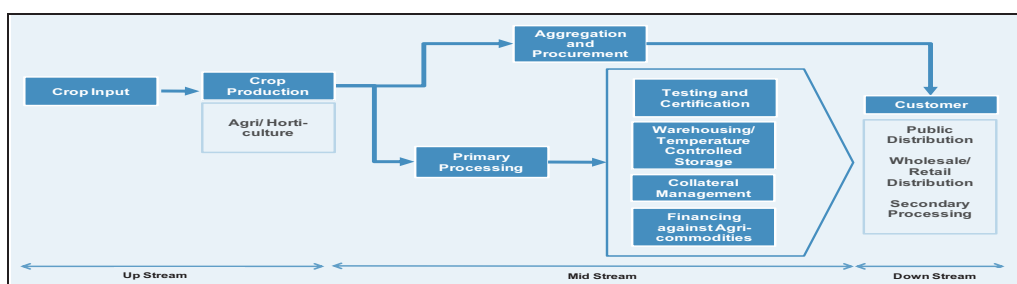
The key risk factors for the agriculture sector are:

- Risk of uncertainty in production due to unfavourable weather, disease and pest attack and unavailability or shortage of inputs such as seeds, fuel and fertilizers.
- Risk of uncertainty in costs and prices. Costs of inputs may vary significantly depending upon availability and demand, which may fluctuate significantly across farming cycles. Further, prices of produce may decrease from the expected price and affect revenues, recovery of costs and the ability to repay debt.
- Risk of unreliability in technology as adoption of new technology may not always produce positive results.
- Risk of changes in policies as agricultural production plans are made on basis of schemes such as subsidies and support prices. Any change in the structure of subsidy can affect revenues of the producer. Further, environmental guidelines also play a key role in agricultural production and can restrict the ability of farmers to use certain machinery or make more space for cultivation.
- Risk of labour unavailability as a result of shifting trend of labour from agriculture to industries and services.

Agri-Warehousing Market in India

Overview of agricultural value chain

The value chain for the agriculture sector can be broken up into the following three segments: (a) Upstream Segment, (b) Midstream Segment, and (c) Downstream Segment. The following diagram summarizes these segments of the value chain:



Source: CRISIL

An overview of key functions in the agriculture value chain is summarized in the following table:

Function	Growth Drivers	Risks and Challenges	Key Trend	Organized Sector Participation
<i>Crop Production:</i> The pre-harvest part of the chain.	<ul style="list-style-type: none"> Better quality in puts Agri-financing Price support Awareness 	<ul style="list-style-type: none"> Unreliability in monsoon / production Increase in input costs Decrease in output prices Changes in government schemes and support 	<ul style="list-style-type: none"> FDI up to 100% under automatic route Increasing involvement of corporate sector 	Low
<i>Primary Processing:</i> This includes the processing of raw agricultural produce without change in form by way of grading, sorting, de-husking, milling, hulling, separation, etc.	<ul style="list-style-type: none"> Rise in middle income group Change in demographics, growing middle income group, and urbanisation Outsourcing by large food processing companies Exports - quality focus 	<ul style="list-style-type: none"> Slow development of primary processing facilities at mandis 	<ul style="list-style-type: none"> Increasing private label penetration which requires greater primary processing Increasing commodity exchange based trading which requires processing facilities 	Low
<i>Procurement:</i> Procurement intermediates between farmers and end buyers to reduce price for buyers while enhancing price for farmers	<ul style="list-style-type: none"> Changes in APMC Act to allow private participation Outsourcing by large food processing companies creating more opportunities Increasing focus on quality 	<ul style="list-style-type: none"> Better infrastructure facilities needed Monopoly of traders and commission agents in markets 	<ul style="list-style-type: none"> Increasing number of farmers are getting better prices by availing the minimum support price rates Contract farming has grown over the years 	Low
<i>Warehousing:</i> Storage and safety of food and food grains produced through dry and cold warehouses	<ul style="list-style-type: none"> Increasing awareness of losses resulting from warehousing deficit Government support for agricultural 	<ul style="list-style-type: none"> Crop failure may affect supplies Availability and Increase in land price and its conversion for use 	<ul style="list-style-type: none"> Warehousing demand to grow Government plans to increase capacity 	Low to Medium

Function	Growth Drivers	Risks and Challenges	Key Trend	Organized Sector Participation
	<ul style="list-style-type: none"> marketing infrastructure Increasing role for private players 			
<u>Collateral Management:</u> The collateral manager audits and inspects the crop and issues a storage receipt against which loans can be accessed	<ul style="list-style-type: none"> Growth in agri-commodities prices Growth in penetration of agri-commodities finance players 	<ul style="list-style-type: none"> If negotiable warehouse receipts issued by WDRA registered warehouses are commonly accepted by lenders Loss or theft of collateral Fraud and other associated risks Managing remote locations 	<ul style="list-style-type: none"> Collateral management has emerged in the last few years as a very effective way of reducing the risks associated with extending credit against agri-commodities 	Medium to High
<u>Post Harvesting Finance:</u> Actual process of post-harvest finance where the farmer can raise a loan against the agri-commodity he has produced and stored in a warehouse.	<ul style="list-style-type: none"> Growth in crop production and crop prices Growth in penetration of agri-commodity finance and non-priority sector lending 	<ul style="list-style-type: none"> Loss or theft of pledged commodity Fraud and other associated risks Borrower defaulting in payments Volatility in commodity prices 	<ul style="list-style-type: none"> Emerging role of collateral managers WDRA accredited warehouses 	Medium to High

Overview of the agri-warehousing sector

Warehousing is an important part of agriculture supply chain to prevent losses arising out of inefficient storage and to provide farmers with a convenient instrument of credit. The purpose of warehousing is to provide a storage area in the region of production at the time of surplus and at consumption centres during the off season. Warehouses also function as spot markets and delivery points for commodities traded on commodity exchanges. With the implementation of the National Food Security Act 2013, warehousing capacity needs to be enhanced considerably to cope with increased requirement of supplying agricultural produce. In addition, warehouses are also required to provide space for produce and processed food products.

Agriculture warehousing includes warehousing of food grains, fruits and vegetables, and commercial crops such as cotton, jute, sugar and oilseeds. Most of the warehousing facilities in India caters to the storage of food grains only, on account of their higher share in total agricultural production, seasonality and importance in daily consumption. Other major commodities that use agriculture warehouses are fruits and vegetables, jute, oil seeds, sugar and cotton.

Traditional versus modern warehouses

Warehouses can be classified into traditional and modern (also referred to as scientific), and their major differences are as follows:

Particulars	Traditional Warehousing	Modern Warehousing
<i>Government rules and norms</i>	Traditional warehouses do not follow standardised norms of construction	Modern warehouses typically follow Government approved norms of construction as approved by ISAM and WDRA
<i>Machinery and Equipment</i>	Most of the handling is done manually	Typically modern warehouses make provisions

Particulars	Traditional Warehousing	Modern Warehousing
		for forklifts, cranes and other equipment (as required for handling)
<i>Storage methods</i>	Proper storage methods are generally not followed	These warehouses follow proper method of storage and stack plan (i.e. stack size and number of stacks in organised manner)
<i>Fumigation</i>	Primitive methods of commodity protection from insects, rodents, etc.	The stored commodity is protected by proper fumigation methods which can provide longer life and minimise spoilage to the stored commodity
<i>Testing services</i>	No lab testing services available	These generally provide laboratory and testing facilities for quality checks
<i>Protection against theft and hazards</i>	Weak protection of commodity stored in it.	Modern warehouses offer better protection against theft as well as against fire and flooding. Overall modern warehousing typically results in lower incidence of pilferage and loss.
<i>Temperature control</i>	Traditional temperature control warehouses cannot store multiple commodities	The modern temperature controlled warehouses provide options to store variety of crops for longer duration.

Source: WDRA and CRISIL

Characteristics of small versus large warehouses

Definitions that clearly and formally define small or large warehouses are not available. The points indicated below for 'small' warehouse are generally applicable for warehouse structures that have built-up area smaller than 5,000 sq. feet. Typical conversion norm for agricultural warehousing is 5.5 sq. feet per metric tonne of storage. Similarly, warehouse units exceeding 50,000 sq. feet in built area are typically characterized by the points mentioned under 'large' warehouses. The following table summarizes the characteristics of small versus large size warehouses:

Large Warehouses	Small Warehouses
Larger warehouses cater to multiple clients and larger quantities and varieties of agri-commodities. Hence, it is often more economical to offer ancillary services in these warehouse.	Relative to larger warehouses, small warehouses will have higher cost (per tonne).
Larger warehouses typically entail higher investments in machinery, land and construction. Hence, while robust in terms of capability to handle higher volumes, they also require proper business processes and skilled warehousing team to extract benefits of economies of scale and capability. Subject to optimal utilisation, larger warehouses can translate into higher operating efficiencies and increased profitability.	Smaller warehouses are typically easy to manage without the need of large investments in hard and soft infrastructure. Further, the ease of operation and overall flexibility of response is relatively higher.
Larger warehouses can be transformed into large aggregation hubs with value addition potential. They can be configured to feed a number of designated spokes in a more evolved supply chain.	There is limited potential to transform into potential hubs in the supply chain.

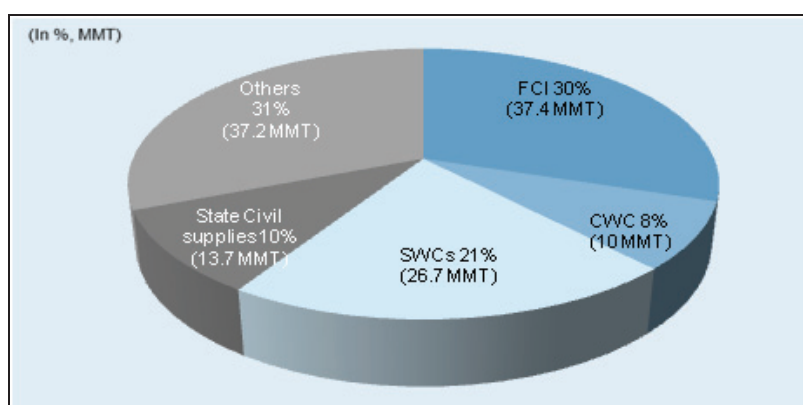
Source: CRISIL

Dry agri-warehousing capacity in India is around 125 MMT

According to the Government, total storage capacity for agricultural produce and inputs in the country is estimated at around 125 MMT as of Fiscal 2014. Warehousing in India saw a growth of CAGR 6% from Fiscal 2005 to Fiscal 2013. The agriculture warehousing capacity in India has increased to 125 MMT in Fiscal 2014 from 80MMT in Fiscal 2006.

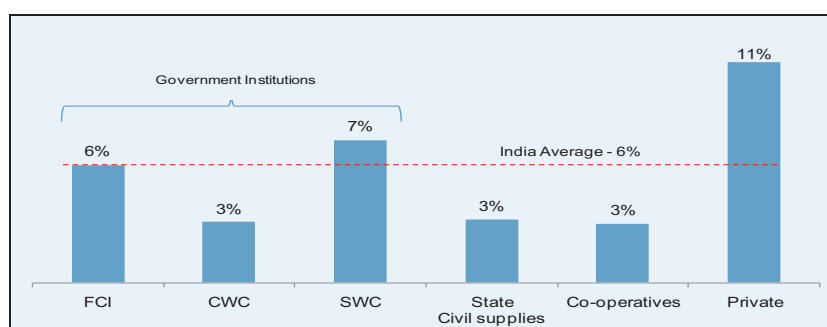
Public warehousing capacity, including FCI, Central Warehousing Corporation (“CWC”) state warehousing corporations, state civil supplies and co-operatives grew at a CAGR of 5% between Fiscal 2006 to Fiscal 2014, whereas, private warehousing capacity grew faster at a CAGR of 9% during the same period.

Of the total warehousing capacity, around 69% is owned by government agencies, which is mostly used for storing around 61.5 MMT of food grain required for public distribution. The balance 31% of total capacity is distributed among private entrepreneurs, co-operative societies, farmers, *etc.* The following diagram summarizes the break-up of the agriculture warehousing capacity of 125 MMT in Fiscal 2015:



Source: Planning Commission, FCI, Department of Food and Public distribution and CRISIL

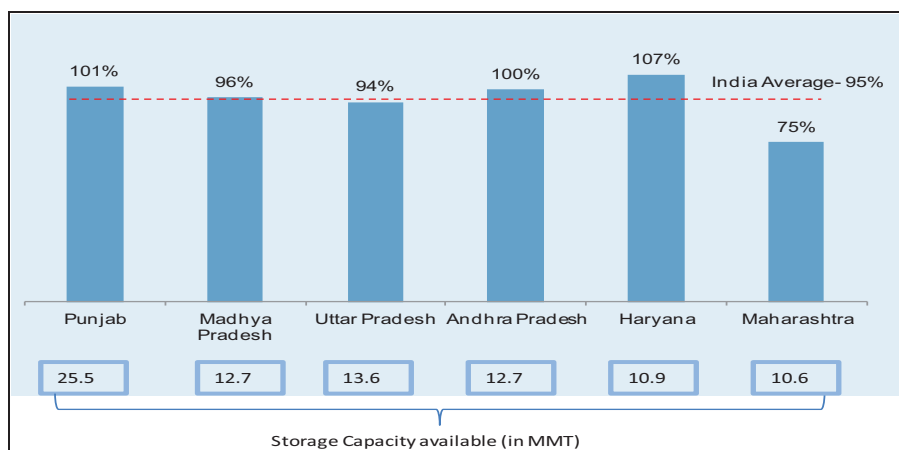
The following diagram summarizes the growth in warehousing capacity of various players during Fiscal 2012 to Fiscal 2014:



Source: WDRA

Average capacity utilisation for dry agri-warehouses in key states

There is considerable disparity in the available storage space across locations. Seasonality of crop production affects the capacity utilisation throughout the year and certain states having higher crop yield. Hence, capacity utilisation of warehouses can vary by location and states. Also, with the Government using most storage facilities for public distribution purposes, there is a considerable shortage of capacities to cater to farmers, traders and other parties at specific locations. The following table summarized the indicative capacity available and average capacity utilisation of key states in 2012:



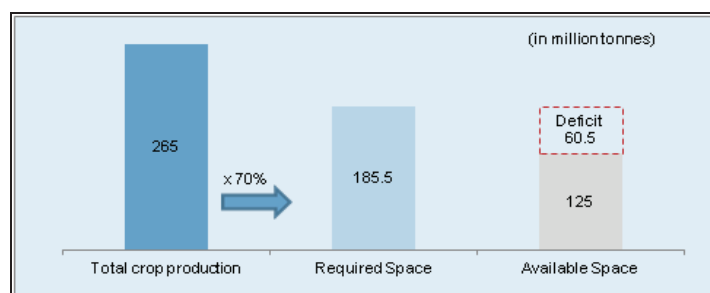
Note: Overall India average data covers 17 states. Source: SWCs and Rajya Sabha

Private commodity exchanges also support the development of modern (or scientific) warehouses by way of a registration / approval process. As of December 2014, total active warehouses under NCDEX were 432, whereas there were 30 designated warehouses under MCX.

Based on aggregate capacity and utilisation figures available and indicative rentals, CRISIL estimates value of dry agri-warehousing market at ₹ 62 billion in Fiscal 2014.

Estimated demand–supply gap in dry warehousing is around 60.5 MMT in Fiscal 2014

According to Progress Harmony Development (PHD) Research Bureau, the 4th advanced estimates of food grains production in Fiscal 2014 is about 265 MMT. NABARD estimates that around 70% of the total crop produced, requires warehouse storage. Hence, around 185 MMT is the required storage capacity (if seasonality of crop production is not taken in to consideration). According to the Department of Food and Public Distribution, the total storage capacity available as of March 2014 was 125 MMT. Hence, the current total capacity gap is of 60.5 MMT, as depicted in the following graph:

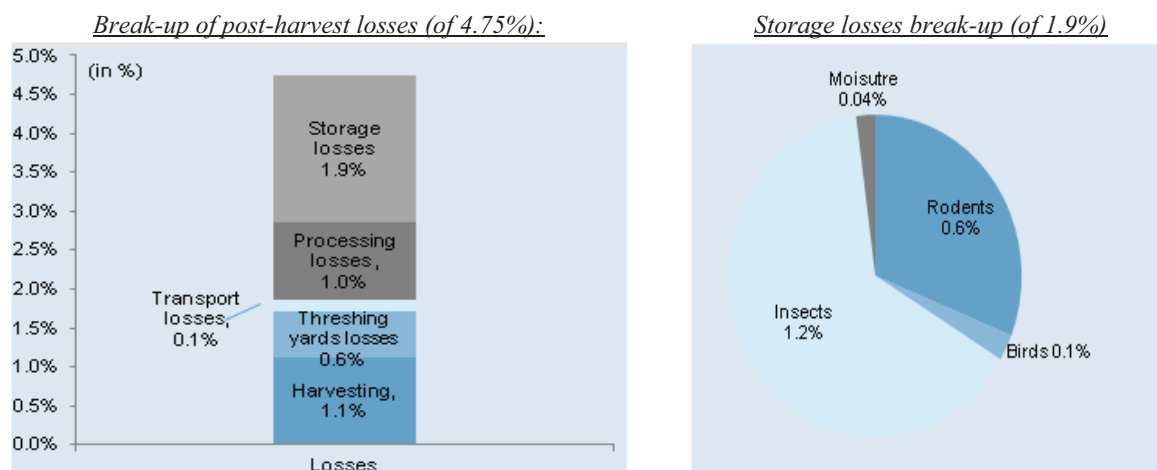


Source: Department of Food and Public Distribution and CRISIL

As per Planning Commission estimates (in 2011 for the 12th Five Year Plan), an additional 35 MMT warehousing capacity is required in the next 5 to 10 years to address significant part of estimated gap in dry warehousing.

About 4% to 6% of food grains procured are damaged due to improper storage facilities

A significant quantity of crop produced is wasted due to inefficiencies in warehousing infrastructure. According to the Ministry of Food Processing Industries (“MOFPI”), around 4% to 6% of food grains and 18% of fruits and vegetables are wasted annually. Majority loss in quantity and quality of food grains occur during post-harvest handling, storage and transportation. The loss is caused by moisture, variation in temperature and attack by biological agents. The Planning Commission had estimated post-harvest loss at 4.75% in Fiscal 2013. The following graphs provide a break-up of the post-harvest and storage related losses:



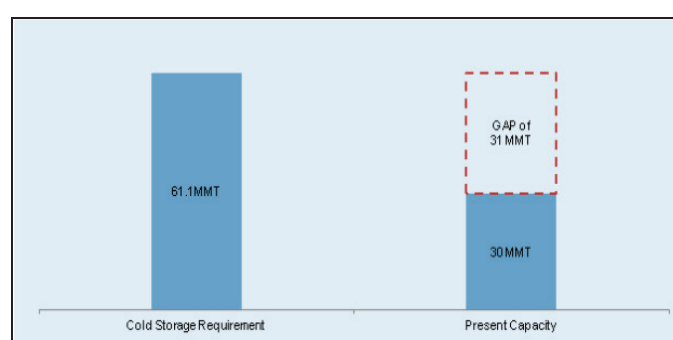
Source: Planning Commission

In India, a substantial portion of the food grains procured by the Food Corporation of India (“FCI”) are stored in unscientific storage facilities. According to Ministry of Food and Agriculture (“MOFA”), around 6.6 MMT of wheat was unscientifically stored out of which around 3 MMT was highly vulnerable to damage while another 1.4 MMT was at medium risk and the remaining quantity was at minimal risk in 2012.

The severity of the damage to food grains is also closely linked to the length of time for which it has been placed in unscientific storage: i.e., the quality of storage can convert minimal risk to high risk over time. This loss may manifest itself in the form of damage to food grains, reduction in quality or loss to pests or pilferage.

Cold storages (Temperature controlled warehouses) deficit was estimated at around 31 MMT in Fiscal 2013

As per MOFPI, nearly 18% of India’s fruit and vegetable production is wasted annually. This translates into a significant loss of about 44 MMT of fruits and vegetables in Fiscal 2014. According to Central Institute of Post-Harvest Engineering and Technology (CIPHET), the cold storage requirement in 2012 was around 61.1 MMT and the available capacity was around 30.1 MMT. The gap of 31 MMT accounts for almost 50% of total demand, as depicted in the following graph. It is clear that shortage in cold storage is a key factor contributing to the losses observed in fruits and vegetables in addition to other factors such as temperature-controlled transportation. Overall, average capacity utilisation rates in Fiscal 2014 are estimated to be at 68% to 70%.



Source: MOFPI and CRISIL. Period covered is Fiscal 2013.

Based on aggregate capacity and utilisation figures available and indicative rentals, CRISIL estimates the value of cold storage market at ₹ 162 billion in Fiscal 2014. This also includes the cold storage market for dairy and other multi-purpose cold storage in addition to agri-commodities.

Demand for Temperature controlled warehouses to grow at 8-9% till Fiscal 2020

Multi-purpose cold storage segment, which is a key segment of the temperature controlled warehouse market, is expected to remain the primary growth driver, with volumes growing at 10% to 12% CAGR till Fiscal 2020. During this period, overall demand (in volume terms) is expected to grow at a CAGR of 8-9% based on an increase from 30.1 MMT in Fiscal 2014 (estimated) to 47.8 MMT in Fiscal 2020 (projected). The share of multi-purpose cold storages in the overall demand for cold storage is expected to increase to 37% in Fiscal 2020 from 30% in Fiscal 2014.

Total investment of ₹ 285 billion required for additional agricultural (dry and cold storage) warehousing capacities

Out of total crops, food grains production was around 265 MMT and fruits and vegetables was around 250 MMT in Fiscal 2014. The share of warehoused demand for food grains was around 81%, whereas the share of demand of fruits and vegetable was only 8% of the total warehouse demand. Hence the majority of the capacity addition required is for food grains.

It is estimated that around ₹ 105 billion for dry warehouses and ₹ 180 billion for cold storage warehouses will be required towards construction investment (excluding land cost) in order to achieve the Government's 12th Five Year Plan targets. The Government has already allocated around ₹ 40 billion, which addresses a significant part of present deficit. The following table summarizes this investment requirement. As per ISAM, the minimum promoter's contribution should be 20% of the project cost.

Particulars	(in ₹ Billion)	
	Dry Warehousing	Cold storage
Market size (estimated revenues in 2013-14)	62	162
Aggregate Construction Investments required	105	180
Aggregate Minimum Promoters equity	21	36
Total Construction investment	285	
Total Promoters equity required	57	

Source: CRISIL

Major challenges for the sector

The major challenges faced by the agri-warehousing sector are as follows:

- Rising cost of land in urban, semi urban and rural areas. Procedures for conversion of agricultural land for industrial or commercial use are cumbersome and difficult which delays the time and increased the cost of project execution.
- Warehousing has not been accorded the status of a full-fledged infrastructure sector; hence, all financial and other benefits available to infrastructure sector are not available to the warehousing sector.
- There is acute shortage of trained human resources. Awareness and expertise with the code of practices of modern (or scientific) storage of agricultural and other commodities is necessary to improve the scenario.
- Modern technology has not been adopted in Indian warehouses reasonably. Modern technology includes- smart and efficient lighting, barcode readers, systematic storage facility, fork lifters, material handling equipment, security surveillance and also labour management systems.

Indirect growth factors for the sector

The major indirect factors driving growth in the warehousing sector are:

- *Urbanization Trends and Growth in Consumer Food Industry:* The share of the urban population in the total population has risen consistently over the years and was about 31% in 2011. It is expected to reach 36% of the country's population by 2020. With the rise in the urban population, consumption of processed food has increased significantly and will continue increasing. Increases in the processed food market will increase

demand for warehouse space near both food production and consumption centres CRISIL projects that the consumer foods industry will grow at a CAGR of 10% between Fiscal 2014 and Fiscal 2016 after growing at a 16% CAGR between Fiscal 2010 and Fiscal 2013

- *Increasing Focus on Food Safety and Standards by Government and Customers:* Consumers are becoming more educated and aware about food safety. The Government is also taking strict initiatives to maintain food standards and quality. With rising demand and stringency in food safety, maintaining quality of food throughout the value chain will become critical. For quality to be maintained, the food produced must be stored and processed in a clean and controlled environment. Due to this, there is expected to be high demand for agriculture warehousing storage in the coming years.
- *Growth in Exchange based Trading of Agri-Commodities:* With the growth in agriculture commodity trading, the requirement of new warehousing capacity has increased. This helps farmers and traders to get better prices for their crop and help them hedge the risk of price volatility. The size of exchange based trading of agri-commodities in India is extremely small compared to that of other developed nations. Going forward it is expected that the volume of commodities traded will grow.
- *Growth in Organized Retail:* Organised retail had been expanding at a CAGR of 20% in the past 10 years and growth is estimated to be around 13% to 14% in Fiscal 2015. This should drive significant cold storage demand in future.
- *Processed Food Market:* The food processing market is estimated to be around 32% of total food industry. According to India Brand Equity Foundation, the food processing industry is estimated to double in next 10 years. The Government has implemented various schemes for development of food processing industry. With this growth demand is expected for both dry and cold warehouses in production and consumption centres.
- *Increase in Exports and Imports:* India exported around 30 MMT and imported around 4.4 MMT of agri-commodities in 2013. Imports and exports of perishable food products like fruits, vegetables, milk, meat, *etc.* are increasing year on year. This will add to the demand for cold storages in future.

Government initiatives to drive agri-warehousing

The Government estimated a requirement of ₹ 560 billion for marketing infrastructure and value chain development during the 12th Five Year Plan. It has made a budgetary allocation of ₹ 202.07 billion. It has also estimated agri-warehouse capacity requirement of 35 MMT. Details of some of the schemes of the Government are as follows (source: *Operational Guidelines NABARD 2014, WDRA and CRISIL*):

- *Agricultural Marketing Infrastructure (AMI):* During the 12th Plan Five Year Plan period, the sub-scheme on AMI will be implemented with central assistance of ₹ 40 billion. The sub-scheme will target to create 4000 marketing infrastructure projects and storage capacity of 23 MMT across the country. With effect from April 1, 2014, AMI is now a subset of ISAM and subsumes the Rural Godown Scheme launched by the Government in Fiscal 2001.
- *Private Entrepreneurs Godown (PEG) 2008 scheme:* PEG was formulated for the creation of additional storage capacity for food grains through private sector participation in 2008. The private entrepreneurs will be eligible for Viability Gap Funding (VGF) under the existing VGF scheme, which allows grants of up to 20% of capital cost on the basis of competitive bidding.
- *Scheme for Financing Warehousing Infrastructure under RIDF and WIF:* The Rural Infrastructure Development Fund (RIDF) scheme deploys bank funds for financing rural infrastructure. In Fiscal 2012 allocation of ₹ 20 billion had been announced by the Government under RIDF. The scheme covers the storage of agricultural inputs and agricultural produce, especially food grains, all dry, wet and cold storage needs of agricultural produce like fruits and vegetables, and integrated loans to food parks. Further, Warehouse Infrastructure Fund (WIF) has announced an allocation of ₹ 50 billion to NABARD in the budget for Fiscal 2015 for supporting creation of infrastructure for storage of agri-commodities.

Increasing reliance on accreditation norms for warehousing

The WDRA was formed in 2010 to encourage scientific warehousing in the country. Negotiable Warehouse Receipts (“NWRs”) would become a prime tool of commodity trade, beneficial for all stakeholders, including godown owners, farmers or consumers. Whenever any warehouse needs to issue NWRs, it approaches the WDRA for accreditation. The authority then sends inspectors who judge the warehouse on various parameters including construction and staff quality, modern pest control and fumigation facilities, its net worth, security, fire-fighting and goods weighing facilities. If the authorities are satisfied, then WDRA issues a booklet containing the NWR. The warehouse then issues these receipts to customers in place of normal receipts. As these receipts are recognised by the Government, banks can easily grant loans against them. The advantages of such accreditations include:

- The farmer gets an officially recognised receipt against which he can access bank loans for further farming activities or alternatively sell his produce to a third person by endorsing the receipt, without even taking physical possession.
- Warehouses accredited by WDRA will get more business due to higher credibility.
- Banks will also prefer lending against goods stored in these warehouses.

The WDRA had registered 525 warehouses as of November 2014. As per WDRA (February 2014) and Department of Food and Public Distribution Annual Report for Fiscal 2014:

- The value of underlying commodities against which NWRs were issued during Fiscal 2014 was ₹ 5.83 billion as compared to ₹ 4.16 billion in Fiscal 2013.
- Since 2011, over 19,600 NWRs for a value of ₹ 21.7 billion have been issued for paddy, maize, turmeric, pulses, gram, rubber, basmati rice, soyabean, barley, cotton, *etc.*
- The quantity of the underlying commodities against NWRs was 0.26 MMT during Fiscal 2014 as compared with 0.14 MMT in Fiscal 2013. Of these, around 30% NWRs have been financed by different banks and financial institutions including co-operative banks.

Ancillary services can add significant value to the warehouse

Apart from warehousing and issue of warehousing receipts, some warehouses also provide ancillary services. These services help farmers and traders to access one stop shop services for storage and warehousing for commodities. These services also comprise the overall revenue of warehousing player. The key ancillary services offered are:

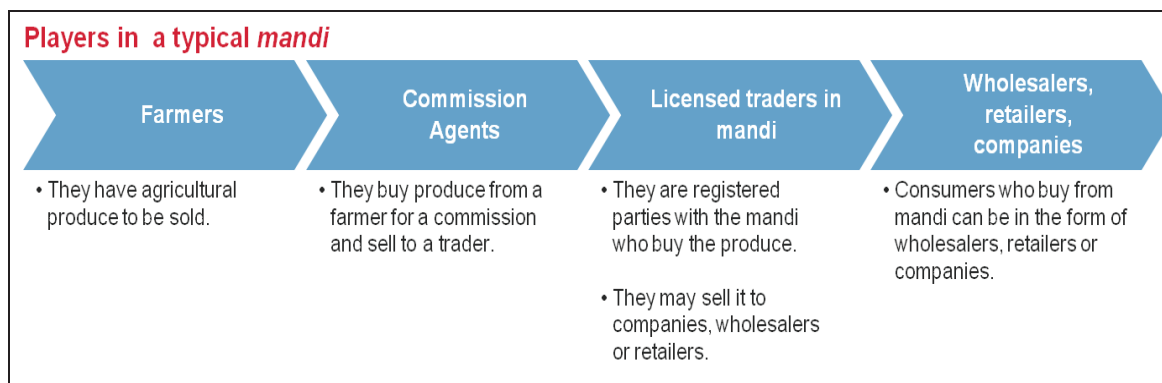
- *Weighbridge*: Weighbridge is the weighing equipment used to measure the weight of commodity carried in the truck. It is required to assess the exact quantity of crop brought by the truck. Warehouses having installed weigh bridges, charge the supplier or procurer for measuring the weight of the commodity.
- *Fumigation*: Warehouse fumigation involves fumigating the commodities either loose or packed in bags when stored in godowns. Separate stacks are fumigated and then covered with plastic covers (tarpaulins) as recommended by the Plant Protection and Quarantine Authority of India.
- *Lab testing services*: Correct assessment of the crop quality produced is very important for farmers, buyers and financial intermediaries. Warehouses also provide lab testing services and certify the quality of the batch of crop. Every member in the value chain relies on this certification. Crop valuation is done on the basis of its quality.

Agricultural Produce Procurement and Marketing in India

Overview

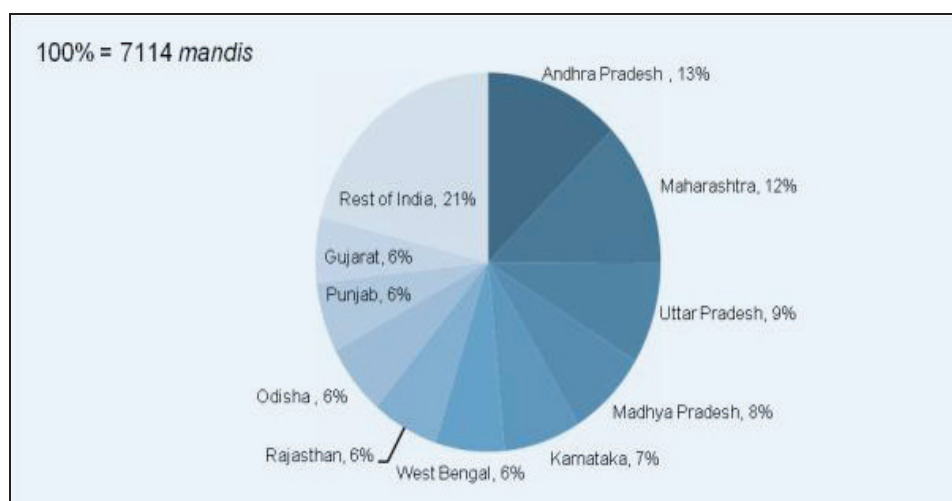
The APMC Act was enacted by state Governments and Union Territories to ensure farmers receive a fair price for their produce. Under the APMC Act, all the produce was to be sold through government designated APMC centres or *mandis* through auction.

Mandi is a public market yard set up under the APMC Act. The trade of agricultural produce must take place through the *mandi* framework for the area designated under the *mandi*. Each *mandi* notifies, *inter-alia*, the commodity it deals with and its area of operation. The following diagram indicates the role of various participants in *mandis*:



Under the *mandi* framework, the farmers bring their produce to the *mandi*'s physical location where it is auctioned. In many cases, farmers sell it to *arthiya* or middlemen who bring it to market yards. The produce, through auction, is sold to traders registered with the *mandi* who then sell it to companies, wholesalers or retailers. In every *mandi*, a transaction is subjected to market tax as well as market cess. The cess money supports building *mandi* infrastructure such as sorting, grading, storage facilities, *etc.*

Currently, there are more than 7,000 such markets in the country. Most of these regulated markets are wholesale markets. Other than these markets, there are also around 30,000 rural periodical markets. The follow graph depicts the number of *mandis* on a state-wise basis as of March 31, 2014:



Notes: Andhra Pradesh data includes both Andhra Pradesh and Telangana. The above data excludes the states and Union Territories, which have repealed, not enacted or not implemented the APMC Act. Source: Ministry of Agriculture.

Andhra Pradesh, Maharashtra, Uttar Pradesh, Madhya Pradesh, Karnataka, West Bengal, Rajasthan, Odisha, Punjab and Gujarat together account for 79% of the total *mandis* in the country. The APMC Act has been repealed in Bihar. It has not been enacted in Kerala, Manipur, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep and has not been implemented in Mizoram.

Key challenges in marketing agricultural produce

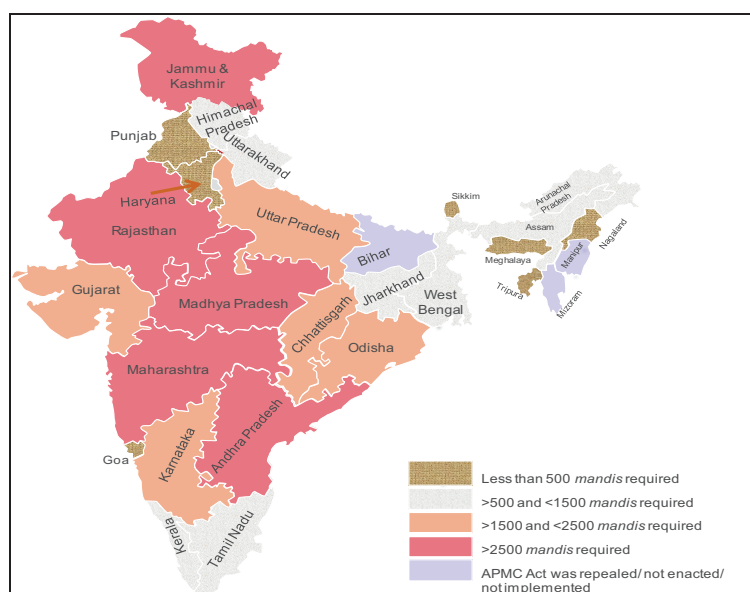
Though created to benefit the farmers, the APMC framework suffers from infrastructural and institutional constraints which adversely affect both farmers and consumers. These pose major challenges in overall agricultural produce marketing which are summarized as follows:

Challenges for Farmers	Challenges for Consumers
<p><u>Shortage of Infrastructure Facilities:</u></p> <ul style="list-style-type: none"> • Shortage of <i>mandis</i> means farmers have to travel long distances to reach the nearest <i>mandi</i> • Lack of storage facilities leads to wastage and spoilage and sub optimum prices 	<p><u>High Cost:</u></p> <ul style="list-style-type: none"> • Commission charged by each middleman is added to the price and finally paid by consumers • Agricultural produce passes through a number of intermediaries and may lead to food inflation
<p><u>Low penetration of Agri-commodity Finance:</u></p> <ul style="list-style-type: none"> • Farmers cannot access collateral management options • Collateral management option allows sale at a later date for a higher price 	<p><u>Low Quality:</u></p> <ul style="list-style-type: none"> • Poor storage facility affects the quality of agri-commodities • Consumers do not have the assurance of quality
<p><u>High Involvement of Middlemen:</u></p> <ul style="list-style-type: none"> • Middlemen / commission agents in the agricultural-value chain decrease the farmer's share. • Higher number of intermediaries means lower returns for farmers 	<p><u>Difficulty in procurement for companies:</u></p> <ul style="list-style-type: none"> • Companies need to adhere to quality standards which is not assured • Companies have to set up their own processing facilities which is not a part of their core strengths

Shortfall in the number of mandis across states

Farmers typically have to travel long distances to bring their produce for auction at the nearest *mandi*. According to recommendations by National Farmers Commission, availability of markets should be within a 5 kilometre radius (approximately 80 sq. kilometres). Accordingly, there is an estimated shortfall of *mandis* in many states as depicted in the map below. It is clear that Andhra Pradesh, Maharashtra, Madhya Pradesh, Rajasthan and Jammu & Kashmir fall short of the National Farmers Commission's recommendations.

If the produce is not sold on the same day, the farmers have to stay overnight or come back the next day. This means extra expenses and loss in quality of commodities. This emphasizes the importance of warehousing as it allows the farmer to avoid distress sales. Farmers can access the warehousing facility to minimize their transportation costs as well as spoilage. This will also give farmers more bargaining power with middlemen. The following graph depicts the shortfall in *mandis* across the country as on March 31, 2014 as per the National Farmers Commission (Ministry of Agriculture):



Source: Ministry of Agriculture

Qualitative assessment of impact of traders / middlemen on delivered prices and farmer income

Licensed traders play an important role in the institutional infrastructure of APMC to ensure that farmers receive fair returns. However, they may adversely affect the farmers and consumers in the following ways:

Traders in the *mandis* may indulge in improper trade practices leading to farmers being paid less than the market value. The traders may collectively keep the bidding low preventing farmers from receiving fair returns. They sometimes may hoard food grains to artificially drive up the prices. A 2012 report by the Competition Commission of India found that traders in onion markets in some locations acted collectively to hoard onions to push up prices.

Apart from the licensed traders, middlemen have become an important part of agricultural value chain and exercise significant impact on the farmer by offering liquidity/immediate payment (after deducting their charges). In many cases, the fear of spoilage incurred during transportation compels the farmer to sell his produce to the middlemen. The middlemen impact the prices in the following ways:

- The ownership of land is highly skewed. According to the Agriculture Census in Fiscal 2011, approximately 85% of the total farm holdings were small and marginal holdings (less than one hectare). Typically, small and marginal farmers have limited bargaining power. They find it difficult to sell it to wholesalers or agri-based companies who prefer procuring in bulk from large producers. The middlemen take advantage of this fact by charging hefty commissions and sometimes delaying payments.
- Middlemen may not give receipts to farmers to avoid taxes. As a result, farmers find it difficult to access loans from formal banking channels as they cannot prove their income.
- The agricultural produce passes through multiple middlemen (like traders, aggregators, *etc.*) who charge commissions at each stage which leads to higher costs for consumers and lower returns for farmers.

APMC - Model Act, 2013

To address the issues of lack of *mandis*, transparency, and ensure remunerative prices for farmers, changes were proposed to the APMC Act under the draft model legislation titled State Agricultural Produce Marketing (Development and Regulation) Act, 2003, also known as Model Act, 2003.

The proponents of APMC are in favour of its continuation though with imminent reforms and stricter control over *mandis*. In this background, given that agriculture is a state subject, different state have adopted the legislation(s) to various degrees. Some of the key developments are:

- A total of 18 states including Andhra Pradesh, Rajasthan, Gujarat, Goa, Himachal Pradesh, Nagaland, Karnataka, Chandigarh, Jharkhand, Uttarakhand, and Punjab have established private market yards.
- Some states have implemented single registration/license for trade transaction in more than one market.
- 11 states in India have started market reforms by imposing single point levy of market fees, which could help bring down food prices especially fruits and vegetables.
- Many states are promoting e-trading and have granted licenses to registered commodity exchanges.
- 21 states have started contract farming provisions.

The role of the Food Corporation of India in agri-procurement in India

The FCI was established under the Food Corporation's Act, 1964. The Government, through the FCI and state agencies, procures food grains conforming to the prescribed specifications at the minimum support price. FCI has faced problems due to insufficient storage capacity which has led to both wastage and high carrying costs. Stock has increased significantly due to growth in production of food grains and better outreach of procurement operations. However, storage capacity has failed to keep pace with the increasing stock. The resultant deficit has been growing over the past few years and reached around 22 MMT as on April 1, 2013.

In Fiscal 2015, an eight-member High-Level Committee (HLC) has been constituted by the Union Food and Consumer Affairs Ministry. The HLC has been tasked to recommend restructuring options for FCI

Role of private players in agri-produce procurement for FCI

Agri-procurement by private players can be classified in three categories based on the entity for which the procurement is undertaken: (i) for own use; (ii) on behalf of government agencies; (iii) for supply to private companies.

Private participation in agri-procurement is undertaken to provide a range of services including procurement, collateral management facilities, warehousing and other associated services, as provided in the chart below:

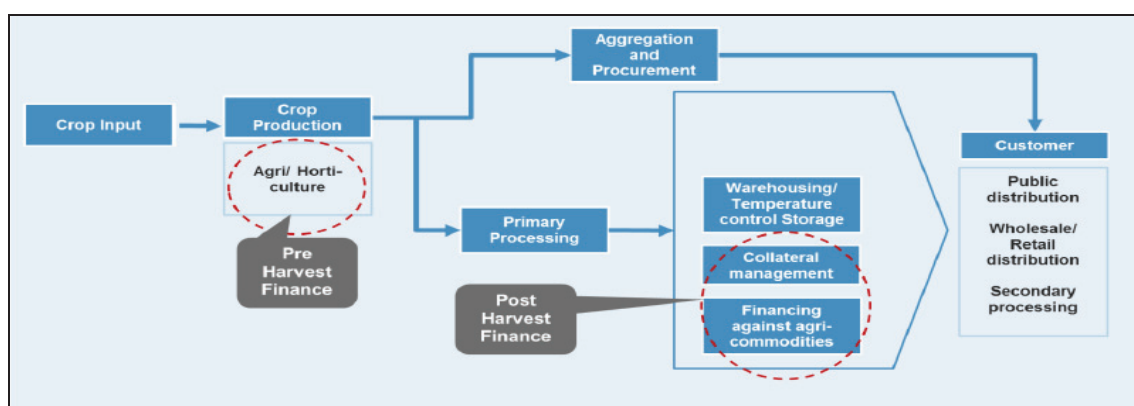
Components of Integrated Post Harvest Management Solutions			
Procurement	Warehousing	Collateral Management	Value-added services
Procurement from farmers after assessing the quality of the produce • Allow s players with pan-India presence to leverage their network and procure on behalf of companies	• Warehousing facilities as per the standards specified by FCI • Allow for storage for extended periods • Employ improved supply chain management systems	• Allow s farmers to get loans against the produce stored in warehouse • Allow banks to increase their customer base	• Includes quality testing, agri insurance and pest management • Allow s for easy procurement by food processing companies

Agri-Finance and Collateral Management Industry

Financing mainly consists of pre and post-harvest financing

The agriculture sector is generally unorganized with a majority of agri-production activities being carried out by small farmers, who have small land parcels and low investment capacity. According to the Agriculture Census in Fiscal 2011, out of 138 million farm holdings in the country, around 117 million were small and marginal holdings. Consequently, the dependence on finance for production and investment in equipment is high in the sector. Production finance or pre harvest finance consists of both, working capital / production finance and long term or asset finance (where tenure is more than 18 months). On the other hand, post-harvest finance typically covers only working capital. Post-harvest finance comprises around 4% to 5% of the finance being extended to the agricultural and allied services sector. The following table and graph (*source: CRISIL*) draws the distinction between pre-harvest and post harvest finance:

Parameter	Pre-Harvest Finance	Post-Harvest Finance
<u>Scope</u>	The entire agricultural production comprising all agricultural produce like food grains, fruits and vegetables, <i>etc.</i>	Only the marketable surplus and primarily dry agri-commodities like food grains, oil seeds, cotton, <i>etc.</i>
<u>Utility</u>	Asset finance (purchase of tractors and other farm equipment) Production finance (irrigation, sowing, labour, purchase of inputs like fertilizers, pesticides, <i>etc.</i>)	Working capital finance (paying-off short term debts, personal use of farmers, <i>etc.</i>)



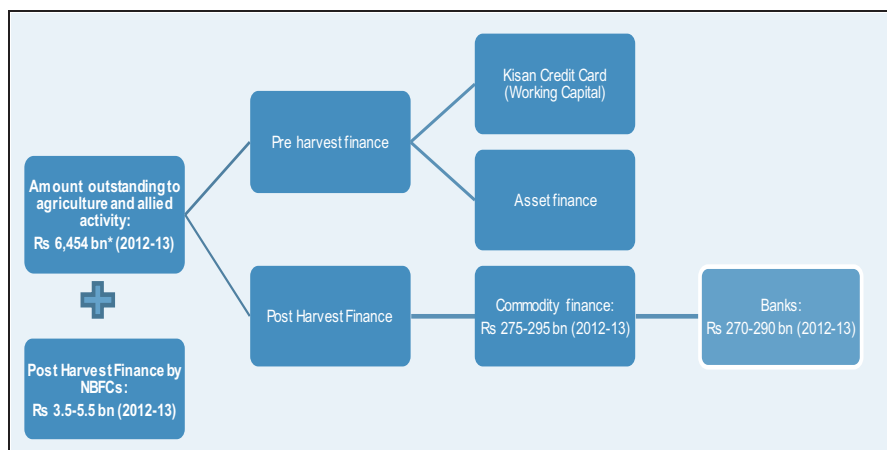
Source: CRISIL.

Post-harvest financing is based on underlying commodities

The agriculture value chain can be defined as the flow of agricultural produce from the farmer to the consumer, i.e. “from farm to fork”. Once the farmer cultivates and harvests the crop, he can either store it in a warehouse or sell it to traders. The traders can either carry out the primary processing and store the processed crop at a warehouse or sell it to secondary processors, wholesalers and other intermediaries. If the produce is sold to wholesalers or intermediaries, they can then sell it to retailers or retail chains.

Post-harvest finance is extended against warehouse receipts and has an underlying commodity to support it while pre-harvest finance is extended based on the balance sheet and the credit history of the borrower. Post-harvest financing reduces the risk associated with lending to farmers by providing collateral to the financial institutions. Therefore a financial institution does not have to rely on poor balance sheets, weak credit histories or land with unclear titles for judging the risk associated with a borrower. It can simply sell the pledged crop if the borrower defaults and in a majority of cases is able to recover the loans given. Consequently, industry participants report that the non-performing assets (NPAs) in the post-harvest finance industry are very low at nil to 0.25%.

As can be observed from the chart below, in Fiscal 2013 post-harvest finance comprised around 4% to 5% of the finance being extended to the agricultural and allied services sector.



Note: *Scheduled Commercial Banks advances to agriculture and allied services under Priority Sector Lending. This chart does not include any informal credit to the sector. Source: RBI and CRISIL

Growth in post-harvest finance

Loans sanctioned against agri-commodities were ₹ 0.5 to 0.6 billion in Fiscal 2003 and are estimated to have grown to ₹ 330-360 billion in Fiscal 2015. Going forward, as crop production increases, agri-commodity prices rise and the penetration of finance grows, the post-harvest finance market is expected to grow by 15% to 16% annually between Fiscal 2014 and Fiscal 2020 to ₹ 720 to 770 billion. The following table depicts this trend:

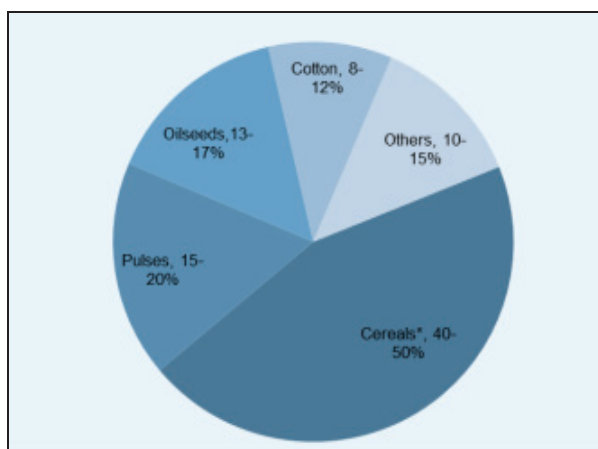
Year	Post harvest finance market
Fiscal 2003	Rs. 0.5-0.6 billion
Fiscal 2009	Rs. 110-130 billion
Fiscal 2014	Rs. 300-320 billion
Fiscal 2015	Rs. 330-360 billion
Fiscal 2020	Rs. 720-770 billion
CAGR (Fiscal 2014 to Fiscal 2020)	15-16%

Source: CRISIL

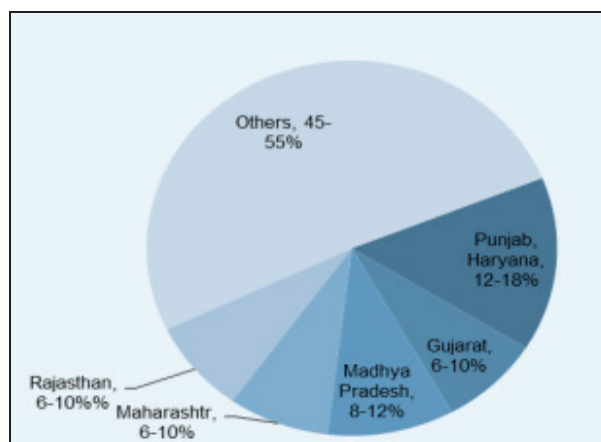
The post-harvest finance industry has grown since the advent of collateral managers as collateral based lending is relatively safer when compared to lending based on weak balance sheets or weak credit records. Additionally, the role of the collateral manager has helped to reduce the operational risks associated with post-harvest financing.

The post-harvest finance market comprises of advances extended against warehouse receipts. Around 90% to 95% of the lending against agri-commodities is managed by collateral managers while the remaining is against warehouse receipts issued by WDRA accredited warehouses. The, majority of current lending against agri-commodities is for crops like paddy, oilseeds, pulses and cotton. The following graphs indicate a crop wise and state wise break-up of post harvest finance:

Crop wise indicative break-up



State wise indicative break-up



Source: Industry

NBFCs account for less than 2% and have significant growth potential

While the banking sector has been playing its key role in increasing the reach of formal credit to rural areas and the agriculture sector, financial institutions like Non-Banking Finance Companies (“NBFCs”) can also play an increasingly important role in this market. However, their share in the industry as of Fiscal 2014 was very small (less than 2%).

Many integrated players who operate across various verticals of the agricultural value chain like procurement, warehousing, collateral management and allied services, therefore can expand into post-harvest financing vertical *via* NBFCs. Such players will have an inherent advantage by virtue of the ground level knowledge that they have of the entities that approach them for credit and of the collateral that is offered against the credit. Since banks may take 4 to 7 days to process post-harvest loans, NBFCs run by integrated players have the opportunity to provide interim financing during this 4 to 7 day period quickly based on their ground level knowledge.

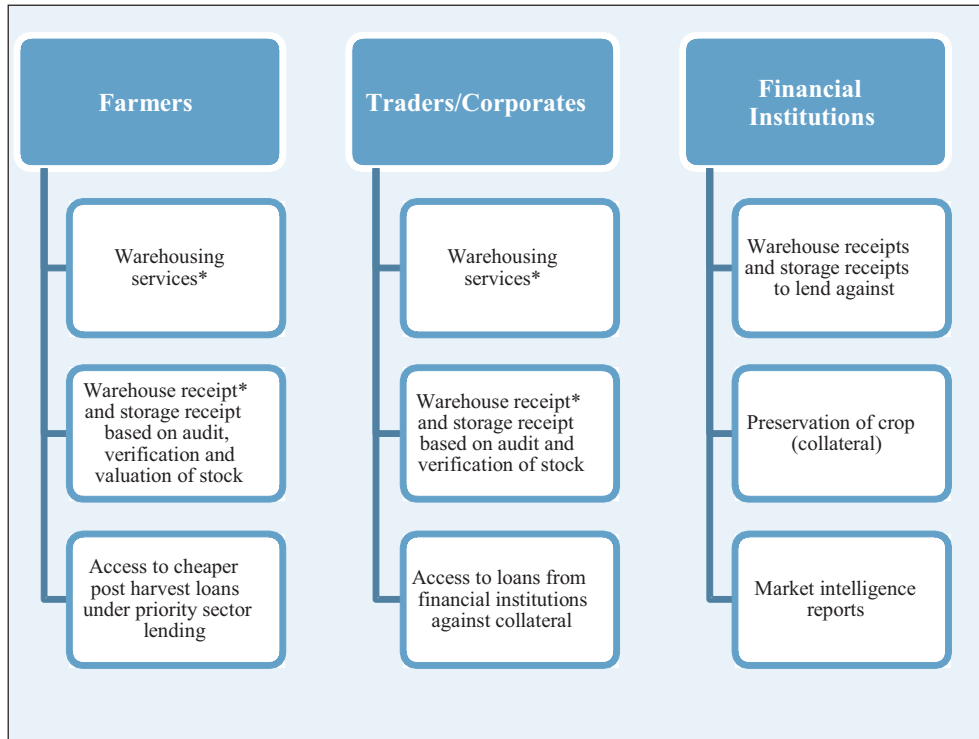
Similarly, NBFCs run by integrated players can extend credit to entities like traders, wholesalers and food processing companies which may not qualify for priority sector lending by banks but may hold agri-commodities and wish to raise working capital loans against the same.

Collateral management has eased access to funds for farmers

Collateral management companies have made it easier for farmers to access credit by leveraging their crop produce as collateral and for financial institutions to extend credit to farmers on the basis of the collateral offered.

A collateral management company typically facilitates financing against warehouse receipts. The warehouse issues warehouse receipts to farmers or traders for the crop stored there while the collateral manager audits and inspects the crop and issues a storage receipt against which loans can be availed. Apart from managing and checking the crop, which has been pledged as collateral at regular intervals, many collateral managers also provide allied services like insuring the crop, testing and verification, and providing regular updates on the condition of the crop, its market value and commodity research services. In turn they receive a fee from the financial institutions.

The following diagram summarizes the utility of collateral management to farmers, traders and financial institutions:



** in case of integrated players. Source CRISIL*

Key regulations related to collateral management

Although there are no regulations specific to collateral managers, the negotiable warehouse receipts issued by the WDRA accredited warehouses can be relevant to collateral management service providers. The Warehousing (Development and Regulation) Act, 2007 created the WDRA to execute functions related to the development and regulation of warehouses and NWRs.

The WDRA provides accreditation services to warehouses based on inspection on various parameters like the construction and staff quality, pest control and fumigation facilities, net worth, security, fire-fighting and goods weighing facilities. Warehouses that are accredited by the WDRA can issue negotiable warehouse receipts against which banks can issue loans. Banks do not need to appoint a collateral manager for loans extended against NWR issued by a WDRA accredited warehouse.

Revenue models

There are mainly two kinds of players offering collateral management services. The first is an integrated player which offers collateral management services as part of various services across the integrated value chain like procurement, warehousing, logistics etc. and earns revenues from multiple streams. These entities also provide value added allied services like market intelligence and consultancy, testing and certification, fumigation and pest control etc.

The second type of player offers collateral management services along with its allied services as its main offering. These players typically lease warehouses or tie up with warehouses and financial institutions and act as collateral managers for the crop stored at these warehouses, which has been pledged with financial institutions. Along with collateral management, these entities can provide a range of value added allied services like market intelligence, advisory, fumigation and pest control.

Collateral managers typically have a mix of fixed and variable fee structure. A collateral manager charges a fee as a percentage of the loans advanced by the financial institution. However, whenever a financial institution engages a

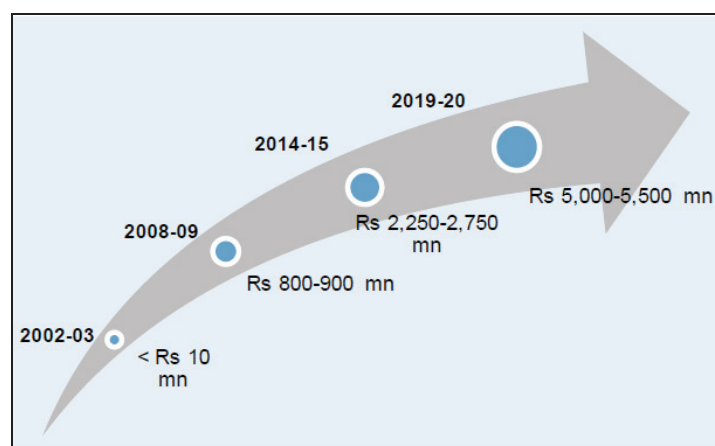
collateral manager's services, there is a fixed minimum fee it needs to pay the collateral manager per location irrespective of the value of the loan advanced. This is to cover the basic cost of the collateral manager for covering that location. If the loans advanced is such a sum that the variable fee is higher than the minimum fixed cost then the collateral manager is paid that fee.

Market size of collateral management industry: Trend and outlook

The revenues of the collateral management industry are directly linked to the agri-commodity finance industry as collateral managers typically charge a fee from the financial institutions extending the loans based on the value of the loans extended.

The agri-commodity finance business grew at a fairly healthy pace between Fiscal 2003 and Fiscal 2014 to ₹ 300 to 320 billion and going forward, it is expected to grow to ₹ 720 to 770 billion by Fiscal 2020 as crop production increases, agri-commodity prices rise and penetration of agri-commodity finance grows.

Consequently, revenues from collateral management services grew from less than ₹ 10 million in Fiscal 2003 to ₹ 800 to 900 million in Fiscal 2009. Going forward, it is expected to grow to ₹ 5 to 5.5 billion by Fiscal 2020, as depicted in the following graph:



Source: CRISIL

It is expected that the growth in crop production coupled with the growth in crop prices will lead to a growth in the value of crops available for finance or the disposable surplus. This coupled with increase in penetration of agri-commodity financing will be a key growth driver for collateral managers.

Overview of primary processing

Primary processing is the first step in the processing of agricultural produce without changing its physical form. This involves basic steps like cleaning, grading, sorting, packing, *etc.* to make it fit for consumption. Secondary and tertiary processing industries usually deal with higher levels of processing where new or modified food products are manufactured.

Primary processing is also important because it has the advantage of slowing the decay process of agri-commodities. Once the agricultural produce is harvested, it begins to decay which makes it unfit for consumption after a certain amount of time. Processing delays the decay and allows for storage for a longer duration. This helps the farmers as it enables food to be stored for use in times of food shortage without compromising on the quality of the produce. Further, it enables farmers to sell their produce with some delay when prices increase.

Primary processing also helps add value to raw produce, which fetch higher returns. The food processing in general is labour intensive and also accounted for 12% of the employment generated in the registered factory sector in Fiscal 2012.

Major challenges facing the sector

Primary processing in India is still in a nascent stage. It faces the following major challenges:

- Inadequate link between production and processing due to infrastructural gaps in the supply chain such as the lack of storage and distribution facilities and institutional gaps in the supply chain (dependence on APMC).
- Lack of product development and innovation arising out of wide usage of outdated methods of processing.
- Inadequate focus on quality and safety standards.

Key Government Policies related to the sector

The government has made a range of policies to boost investment in primary processing. These include:

- Setting up the National Mission on Food Processing to improve coordination and implementation of schemes and to enable greater involvement of state Governments.
- Expanding and modifying existing infrastructure development schemes such as the Mega Food Parks Scheme and the Integrated Cold Chain Scheme.
- The Ministry of Finance *vide* notification dated June 20, 2012 has exempted service tax payments for certain services pertaining to this sector.
- The Government has extended project imports' benefits for certain projects pertaining to this sector:
- MOFPI has launched the Scheme of Cold Chain, Value Addition and Preservation Infrastructure to create integrated supply chain infrastructure in the country so as to minimize the post-harvest losses and to enhance the value addition in the agricultural produce.

OUR BUSINESS

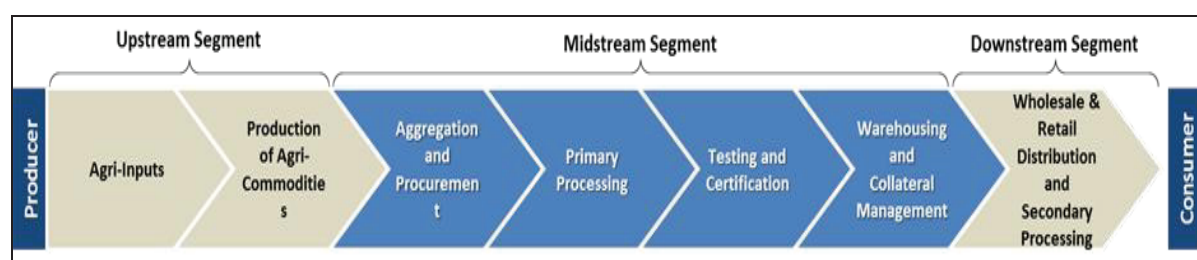
The following information should be read together with the information contained in the sections titled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company" and "Financial Statements" on pages 17, 127, 285 and 237, respectively. Unless otherwise stated, the financial information of our Company used in this section is derived from our Restated Financial Statements. In this section, a reference to the "Company" means Shree Shubham Logistics Limited. Unless the context otherwise requires, references to "we", "us" or "our" refer to our Company and its Subsidiary and its associates, taken as a whole on a consolidated basis. A year, if stated as a Fiscal year, it shall pertain to the period from April 1 of the previous calendar year to March 31 of the year under reference.

Overview

Our Company undertakes an array of activities in the post-harvest value chain for agri-commodities based on an integrated business model. Our activities include warehousing, procurement, primary processing, trading, collateral management, funding facilitation, funding, testing & certification, and pest management in relation to agri-commodities. Our activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Through our integrated business model, we believe that we are able to create value in the post-harvest value chain.

Our Company commenced operations in January 2007 under our founding Promoters, Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna, to explore business opportunities to enhance value and efficiency in the agriculture sector, and undertake activities in an organized manner. Shortly thereafter, in March 2007, Kalpataru Power Transmission Limited ("KPTL"), one of our Promoters, acquired majority stake in our Company, and provided us with financial backing and a vision to scale our operations and adopt a holistic approach to the post-harvest value chain for agri-commodities.

The value chain for agri-commodities can be broadly divided in the following three segments: (i) upstream segment, (ii) midstream segment, and (iii) downstream segment. The upstream segment comprises activities up to farming and harvesting of agri-commodities ("**Upstream Segment**"). The midstream segment represents all activities inter-linking agricultural produce prior to its wholesale distribution ("**Midstream Segment**"). The downstream segment includes wholesale and retail distribution and secondary processing of agri-commodities ("**Downstream Segment**"). A diagram depicting this segmentation of the value chain for agri-commodities is as follows:



Our operations are focused on the Midstream Segment and wholesale distribution of agri-commodities and are aimed at enhancing value and efficiency for its participants primarily through aggregation of agri-commodities and our integrated business model. Our activities are broadly classified as follows: (i) warehousing services (dry and cold); (ii) commodities procurement, primary processing & trading; (iii) collateral management & funding facilitation; and (iv) testing & certification and pest management services. Each of these activities are synergistic with each other and provide our customers the convenience of availing various services under one roof.

We leverage our wide network of warehouses and last mile access towards undertaking procurement, trading, and collateral management & funding facilitation activities, as well as primary processing activities. We believe that our ability to procure, store, preserve, and undertake primary processing as well as trade in agri-commodities allows us to function as a supply chain manager.

As a part of our warehousing services, we offer dry and cold storage space, which is supported with our weighing facilities. As of November 30, 2014, our Company manages and operates 149 warehouses through a hub and spoke model across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, with a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area.

The warehouses operated by our Company are either owned (“**Owned Warehouses**”) or hired by our Company (“**Hired Warehouses**”) or are under a public-private-partnership (“**PPP**”) (“**PPP Warehouses**”). We manage and operate warehouses on a PPP basis pursuant to an arrangement with Rajasthan State Warehousing Corporation (“**RSWC**”), amongst others, as detailed below. Further, our Company is accredited with the National Commodities and Derivatives Exchange Limited (“**NCDEX**”) for providing warehousing and assaying services, and certain of our warehouses are registered with the Warehousing Development Regulatory Authority of India (“**WDRA**”), which enables us to issue negotiable warehouse receipts.

In relation to our procurement activities, we assist third-parties dealing in agri-commodities to procure physical stocks in large volumes within the specified price range and with uniformity in quality, from *mandis*, auction sites, farmers and traders & aggregators based on the quality and grades specified by our clients. We assist RSWC in fulfilling its obligations for procurement of agri-commodities.

Further, we believe we have developed an understanding of certain agri-commodities and their demand-supply dynamics through our ‘on ground’ presence. Accordingly, our Company caters to the domestic and international markets for these commodities, which include cumin, mustard, bengal gram, ground nut, coriander, fenugreek and certain dry fruits. We believe that our procurement capabilities and in-house primary processing facilities add value to our domestic and international clients.

Our Company facilitates financing primarily against collateral of stocks stored in our warehouses, by acting either as a business facilitator or as a manager of the collateral or both. Moreover, our Company has recently acquired a non-banking financial company (“**NBFC**”), Punarvasu Holding and Trading Company Private Limited (“**PHTCPL**”) with the objective of directly providing funding facilities to market participants in the value chain for agri-commodities.

In addition to the above, our Company also offers testing & certification services, which helps in determination of quality of the agri-commodities we deal in. Our testing & certification services are offered through our: (a) Analysis and Certification Laboratory at Jodhpur, Basni Agricultural Produce Market Yard (“**Central ACL**”), which is ISO 9001 : 2008 and ISO / IEC 17025 : 2005 (NABL) certified, and (b) 36 satellite testing & certification laboratories across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra. Our Central ACL is accredited with NCDEX for providing assaying services. Further, our Company also offers pest management services, which helps in preserving and maintaining the life of the agri-commodities we deal in. Our Company has necessary equipment, facilities and license to provide pest management services at most of our warehouses.

Our revenue and EBITDA for the Fiscals 2010, 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014 is as mentioned below:

(in ₹ million)						
Particulars	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Total Revenue	886.28	1,365.95	2,039.53	2,432.14	3,779.76	1,399.22
EBITDA	22.94	180.27	238.20	403.41	666.68	279.50

Our Company has been bestowed with several awards and recognition, including the following recent awards:

- CII Supply Chain and Logistics Excellence Awards 2013 for Exemplary Position under the Agri Warehousing Category;
- Excellency in Warehousing – Best Warehousing Company by CPAI in association with the Forward Markets Commission;
- India SME Excellence Award 2014 in Service Sector by Small and Medium Business Development Chamber of India;
- Brand Excellence in Supply Chain and Logistics Sector by Asian Leadership Awards; and
- Best Exporter of the year 2014 by ASSOCHAM (India) at the Food Tech Implementation Award.

For further details, please see the section titled “*History and Certain Corporate Matters*” on page 189.

Competitive Strengths

We believe that the following are our core competitive strengths:

Integrated business model

Our Company has an integrated business model in the Midstream Segment of the value chain and for the wholesale distribution of agri-commodities, which encompasses an array of activities aimed at a wide spectrum of market participants, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Our network of 149 warehouses across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra acts as the backbone of our integrated business model. We leverage this warehousing network with our ‘on ground’ presence, last mile access, understanding of certain agri-commodities & their demand-supply dynamics and relations with market participants to undertake procurement, trading, collateral management & funding facilitation activities as well as our primary processing activities.

Our participation across the Midstream Segment and in the wholesale distribution of agri-commodities and our easy access to points of origin of various agri-commodities allows us to identify and capitalize on business opportunities in the post-harvest value chain. We believe that our ability to procure, undertake primary processing, store, preserve, facilitate funding and trade in agri-commodities in an integrated manner allows us to enhance value and efficiency through aggregation of agri-commodities, and function as a supply chain manager.

Our integrated business model and role as a supply chain manager gives us a strategic advantage for growth and stability of our business, and also enables us to widen our revenue base, which includes cross-selling our various services to our customers, who have the added convenience of availing various services under one roof.

High Quality Owned Warehouses and Robust Warehousing Operations

Our Company has made significant investments to create quality infrastructure at our Owned Warehouses and robust IT infrastructure and operations across all our warehouses. Our Company has a project management team to oversee the setting up of our Owned Warehouses.

24 of our Owned Warehouses are scientifically designed and equipped with modern infrastructure conforming to WDRA standards at a minimum. These Owned Warehouses are designated by us as being ‘Agri-Logistics Parks’ (“**Agri-Logistics Parks**”).

Each Agri-Logistics Park includes some or all of the following features depending on the type of warehouse (dry or cold):

- pre-engineered structures, which can be moved from one location to another;
- insulated roof and side claddings, which helps in maintaining the temperature inside the warehouse;
- turbo or ridge ventilators to improve aeration for better preservation of the goods stored;

- testing & certification laboratories for determining quality;
- electronic weighbridges having a capacity of 60 / 100 metric tonnes for measuring quantity;
- fumigation and spraying facilities for pest management;
- lifts for taking commodities in large quantity to different floors;
- fire-fighting systems with hydrants and water reservoirs, fire extinguishers and sand buckets; and
- SAP linked on-line data entry for recording and monitoring stock movement and for issuance of warehouse receipts from the location of the warehouse itself.

Further, as of November 30, 2014, the total storage capacity of our Agri-Logistics Parks is around 2.89 million sq. ft. in terms of storable floor plate area, with an average storage capacity of around 120,538 sq. ft. per Agri-Logistics Park in terms of storable floor plate area.

Our warehousing operations are designed to maximize efficiency, while reducing risks and controlling costs by following standard operating procedures carried out by trained professionals and supervised by experienced staff. Our warehouses are SAP linked, which enables us to carry out de-centralized data entry electronically, record the movement of stock and issue warehouse receipts from the warehouse location itself after due-diligence and clearance from our corporate office in Mumbai. Further, we can centrally monitor all transactions from our corporate office in Mumbai. Moreover, we have round the clock security at our warehouses and are also taking step towards installing CCTV cameras at our Agri-Logistics Parks to further strengthen our internal controls system. We also conduct detailed internal audits on a regular basis through independent chartered accountants and/or our internal audit teams for, amongst other, physical verification of stocks and inventory at all locations.

Accordingly, as a result of the infrastructure maintained by us at our Owned Warehouses and owing to our robust, streamlined and computerized warehousing operations (amongst other factors), as of November 30, 2014, our Company is accredited with NCDEX for providing warehousing and assaying services.

Growth & capital efficiency through diversity in the nature of rights and hub & spoke model

Hub and spoke model aided by strategically located warehouses

Our warehousing business is based on a hub and spoke model. We carefully select the location of our warehouses at a macro-level to ensure a contiguous regional spread (e.g. the states of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh) and at a micro level to ensure proximity to areas of harvest, *mandis* or points of transport connectivity, amongst other factors.

Our Agri-Logistics Parks function as central hubs of operations within a defined region with proximity to *mandis* or points of transport connectivity, including highways (“**Hub Warehouses**”). The Hub Warehouses are equipped to support almost all of the businesses activities we offer or undertake in addition to our warehousing service. As of November 30, 2014, we have 24 Agri-Logistics Parks, which are our Hub Warehouses.

Our remaining 125 warehouses (i.e. our Owned Warehouses, which are not Agri-Logistics Parks, Hired Warehouses or PPP Warehouses), which feed into our Hub Warehouses are designated as our ‘spoke warehouses’ (“**Spoke Warehouses**”). Our Spoke Warehouses are strategically located closer to areas of harvest and are conveniently accessible to a Hub Warehouse. Hence, we can efficiently and conveniently leverage upon a Hub Warehouse to offer our services at our Spoke Warehouses, even if the same is not available at the Spoke Warehouse. Moreover, our Spoke Warehouses enable us to get closer to farmers and other market participants, and through our integrated business model to capitalize on business opportunities available across the Midstream Segment of the value chain and for the wholesale distribution of agri-commodities from the points of origin.

Our Spoke Warehouses widen our coverage area, provide us with additional storage space (i.e. business capacity) and growth and expansion opportunities, while optimally utilizing our resources, enhancing efficiency and rationalizing costs.

Optimum mix of Owned Warehouses, Hired Warehouses and PPP Warehouses

We believe we have an optimum mix of Owned Warehouses, Hired Warehouses and PPP Warehouses, which supports our hub and spoke model. Our diverse nature of rights in our warehouses (on an ownership basis or a hiring or PPP arrangement) enables us to enhance capital efficiency and balance stability with growth. This business model is a key strength as well a principal business strategy for us. Our Owned Warehouses provide us with the safety and security of having dedicated storage space, which also assures our clients and other market participants of our stable presence and our long term vision in the business through investments in infrastructure. On the other hand, our Hired Warehouses and PPP Warehouses provide us with additional capacity for growth without undertaking incremental capital investments. Further, our present PPP(s) also results in business opportunities such as procurement and warehousing business for us, which are associated with the government agencies involved.

Through a combination of Owned Warehouses, Hired Warehouses and PPP Warehouses, we manage and operate a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area, with an average storage capacity of around 63,022 sq. ft. per warehouse in terms of storable floor plate area. Thus the scale of storage capacity we enjoy in our warehouses, our hub and spoke model and the diverse nature of rights in our warehouses increases our efficiency and profitability and enables us to leverage on economies of scale.

Moreover, in relation to our PPP Warehouses, our Company has been an early adopter of PPPs relating to agri-warehousing (*source: CRISIL Industry Report*). We have demonstrated our ability in managing and operating warehouses under a PPP basis in relation to our memorandum of understanding (as amended) dated March 5, 2010 with the RSWC (“**RSWC MoU**”), and our agreements with the Rajasthan State Agricultural Marketing Board (“**RSAMB**”) (“**RSAMB Agreements**”). Our Company entered into the RSWC MoU to manage and operate RSWC’s (present and future) warehouses across 38 specified locations in the state of Rajasthan. The RSWC MoU is based on a revenue-sharing model and is for a term of 10 years, which can be extended with mutual consent. For additional details about the RSWC MoU and RSAMB Agreements, please see the sub-section titled “*Our PPP Warehouses*” on page 170.

As of November 30, 2014, our Company manages and operates 75 warehouses of RSWC at 38 specified locations, which provides for around 3.80 million Sq. ft. in terms of storable floor plate area of our total storage capacity. Any additional warehouses acquired, developed or hired by RSWC at these 38 specified locations would provide us with additional storage capacity and related business opportunities.

The storage capacity utilization level at the RSWC Warehouses (as defined) was at 47.74% in Fiscal 2009. On March 5, 2010 our Company entered into the RSWC MoU and for Fiscal 2010, the utilization level at the RSWC Warehouses was at 79.55%. For the eight months period ended November 30, 2014, the utilization level at the RSWC Warehouses was at 107.73%. We have been able to achieve a utilization level of over 100% based on the mix of commodities stored and through efficient space management by stacking commodities in a scientific manner.

Our past performance and track record with RSWC provides us with a platform to establish such opportunities with other state warehousing corporations and other government agencies.

Our Promoters and professional management

The business of our Company is backed and driven with the strengths, expertise and ability of all our Promoters. Further, one of our Promoters, KPTL, has mentored the management of our Company over the years, and has also financially backed our Company from time to time. Our Promoters have played an important role in the growth of our Company.

For further details in relation to our Promoters and the experience of our key management personnel, please see the sections titled “*Our Promoters and Promoter Group*” and “*Our Management*”, respectively, on pages 216 and 199, respectively.

We are managed by an experienced professional team of senior managers with management and operational experience in the warehousing and agri-commodities sector. Our experienced management team brings us industry experience and knowledge of the warehousing and agri-commodities sector. We believe that our senior management's experience has played a key role in the growth of our business and in the development of procedures and internal controls. In addition, the skills and diversity of our senior management team gives us flexibility to respond to changes in the business environment. Our management, supported by a capable pool of employees, will continue to be an important driver of growth and success in all of our existing and new business ventures.

Proven track record

Over the years, our Company has witnessed steady growth in its warehousing operations. As on March 31, 2007, we managed and operated five warehouses, which has grown to 149 warehouses as of November 30, 2014. Further, our total storage capacity has grown from 163,870 sq. ft. as on March 31, 2007 to around 9.39 million sq. ft. in terms of storable floor plate area as on November 30, 2014.

With respect to our Owned Warehouses, as on November 30, 2014, we managed and operated 27 Owned Warehouses with a total storage capacity of 3.03 million sq. ft. in terms of storable floor plate area. The following table indicates the trend in the number and storage capacity of our Owned Warehouses as on March 31 of Fiscal 2012, 2013 and 2014 and November 30, 2014:

Particulars	As on March 31, 2012	As on March 31, 2013	As on March 31, 2014	As on November 30, 2014
Number of Owned Warehouses	15	18	19	27
Total Storage Area of Owned Warehouses (capacity in million sq. ft. in terms of storable floor plate area)	1.32	1.88	1.99	3.03

Over the years, besides consistently growing our warehousing service, we have expanded our scope of activities by leveraging on our warehousing infrastructure resulting in additional revenue streams through our integrated business model.

Consequently, we have consistently recorded growth in our EBIDTA, with an increase of ₹ 486.41 million from ₹ 180.27 million in Fiscal 2011 to ₹ 666.68 million in Fiscal 2014, representing a CAGR of 54.64%.

Thus, we believe our Company has demonstrated an ability to create value and efficiency through an established track record of performance and growth.

Strategies

Expanding our warehousing business through our hub and spoke model

We are exploring expansion opportunities in Rajasthan, Gujarat, Madhya Pradesh and Maharashtra; and a foray into the states of Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh. We propose to undertake our expansion plans in a phased and systematically planned manner and with a contiguous approach from one region to another.

Our proposed expansion plans in Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh will be primarily of the nature of our Hub Warehouses, which will provide further scope and opportunity for growth and for scaling expansion by way of addition of Spoke Warehouses through hiring and PPP arrangements. Further, we will continue to explore opportunities to maintain a mix of Owned Warehouses, Hired Warehouses and PPP Warehouses in order to enhance capital efficiency and balance stability with growth.

In relation to our proposed expansion plans, we have, amongst other things, engaged an external consultant, CRISIL Limited, who has advised and assisted us in preparing a detailed project report. In the detailed project report, numerous factors have been systematically and comprehensively analyzed for the purpose of short

listing 20 locations for setting up dry and/or cold warehouses in the states of Gujarat, Maharashtra, Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh. In this regard, the following, amongst other, factors have been analyzed by way of assigning a materiality based weightage thereto: business opportunities based factors include cropping pattern and crops requiring storage, capacity utilization, growth rate of demand for warehousing business, export activity, and association with commodities exchanges; and entry barrier based factors include land cost and competition.

Further, our Company has submitted a PPP proposal to the Maharashtra State Warehousing Corporation to manage and operate their warehouses under the Swiss challenge method. The Maharashtra State Warehousing Corporation is still to award a contract in this regard. Our Company has also participated in a tender floated by the Odisha State Warehousing Corporation, and is also exploring PPP opportunities with other state warehousing corporations.

Furthermore, as of November 30, 2014, we manage and operate eight cold storage warehouses with a total storage capacity of around 739,549 sq. ft. in terms of storable floor plate area. We also endeavour to grow our cold storage warehousing capacity as well in the future.

Strengthening our integrated business model

Over the years, our Company has developed an integrated business model aimed at a wide spectrum of market participants. Going forward, our Company will continue to strengthen our integrated business model by: (a) growing the scale of operations of our activities, including by growing our presence in the markets we are already operating in, (b) undertaking new activities and service offerings, (c) widening our customer base, and (d) entering into new markets.

Our objective is to continue to target the entire Midstream Segment value chain and wholesale distribution of agri-commodities from the points of origin by leveraging our integrated business model and presence as a supply chain manager. Towards this end, our Company is taking several steps including the recent acquisition of an NBFC, setting up a primary processing plant at Netra, Rajasthan, and working towards providing private *mandi* services.

In addition, our testing & certification and pest management services are an integral part of our business as these enable us to determine the quality and preserve and maintain the life of the goods we deal in. At present our testing & certification and pest management services are generally utilized either in relation to our in-house service offering and activities and/or in relation to our accreditation with NCDEX. Whilst these services are expected to grow in line with an expansion in our business, we also propose to offer these services on a third-party basis (i.e. to customers, who are not our warehousing customers).

Our Company also endeavours to continue to develop and nurture our existing relations with market participants, including farmers, and traders & aggregators, government agencies, banks and commodities exchanges as well as nurture new ones.

Collateral management and funding facilitation

As a part of our collateral management & funding facilitation activities, our Company currently facilitates financing primarily against collateral of the stocks stored in our warehouses by acting as a business facilitator or as a manager of the collateral or both. In this regard, our Company works with various banks and financial institutions as well as with market participants dealing in agri-commodities and enables such market participants to source funding from these banks and financial institutions.

Funding by banks and financial institutions against warehouse receipts (which acknowledges deposit of goods in a warehouse for storage and title and ownership thereto) obviates the need for the lender to manage the physical stocks involved. We believe that the registration obtained for some of our warehouses with the WDRA, which enables us to issue negotiable warehouse receipts (as compared to non-negotiable warehouse receipts, which can be issued even without such a registration), enhances the value of our collateral

management services as well as our warehousing service as the negotiable warehousing receipts issued by us can be traded and funded against by banks and financial institutions.

Going forward, we envisage growing our collateral management services and also plan to undertake lending activity, considering the value of goods stored in our warehouses alone, in the month of November 2014, was ₹ 31,675 million (approximately) in terms of the value thereof declared to our insurers in relation to the insurance cover maintained by our Company. For further details regarding our insurance cover, please see the sub-section titled “*Insurance*” on page 177.

Towards this end, our Company recently acquired PHTCPL. PHTCPL is registered as an NBFC with Reserve Bank of India (“**RBI**”) and is a wholly owned subsidiary of our Company. The object of acquiring PHTCPL is to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses or warehouses approved by PHTCPL, the quality of which can be tested and certified at our in-house laboratories or laboratories approved by PHTCPL. Further, PHTCPL has entered into an ‘e-pledge facilitation agreement’ dated February 5, 2015 with NCDEX to lend against the goods which can be traded on the NCDEX. For additional details about PHTCPL, please see the sub-section titled “*Collateral management and funding facilitation*” on page 159.

Primary processing activities

Our Company undertakes primary processing of agri-commodities on a captive basis in relation to its commodities procurement and trading activities. We believe that our in-house primary processing facilities add value to our domestic and international clients, as it enhances the marketability of the stocks traded.

In this regard, we have dedicated space at most of our Owned Warehouses. In addition, we have a cleaning, mechanical grading, and decorticating unit at our warehouse at Salawas, Jodhpur. We also offer such space to our warehousing customers, who can undertake primary processing of their goods (grading and sorting) at the warehouse itself before storage; and we intend to offer such services in the future.

Moreover, our Company is at an advanced stage of setting up a primary processing plant at Netra, Rajasthan with modern equipment and technology, which will replace our existing unit at Salawas, Jodhpur. A total investment of ₹ 476.60 million is being made to set up this plant and it is expected to be commissioned before June 30, 2015. The plant, once operational, will be able to undertake primary processing of agri-commodities such as cumin, sesame and ground nut and others such as fennel, fenugreek and coriander. This plant is strategically located as Rajasthan accounted for 38.43% of the total cumin production of India (as projected for the year 2011-2012 by the SpBI) and 17.82% and 13.14% of the total sesame and ground nut production in India, respectively (for the year 2012-2013 as per the Directorate of Economics and Statistics under the Ministry of Agriculture).

Providing private mandi platform

We envisage leveraging our integrated business model and large customer base to provide *mandi* services to farmers and traders & aggregators. We believe these services will bring about efficient price discovery and transparency particularly in goods, which are not traded on commodities exchanges. Our network of warehouses will function as *mandis* and provide flexibility to our customers to store and trade in their goods from one location thereby reducing logistical costs from the value chain. Through our *mandi* services, we propose to directly link buyers and sellers and replace traditional middlemen in the value chain.

A large volume of agri-commodities is presently not traded on organized commodities exchanges thereby underscoring the potential opportunity for this business. This business opportunity should be seen in the context of the more than 7,000 *mandis* operating across India (*source: CRISIL Industry Report*), and an expansion in the geographic spread of our warehousing operations would enable us to grow our *mandi* services, once implemented in these areas.

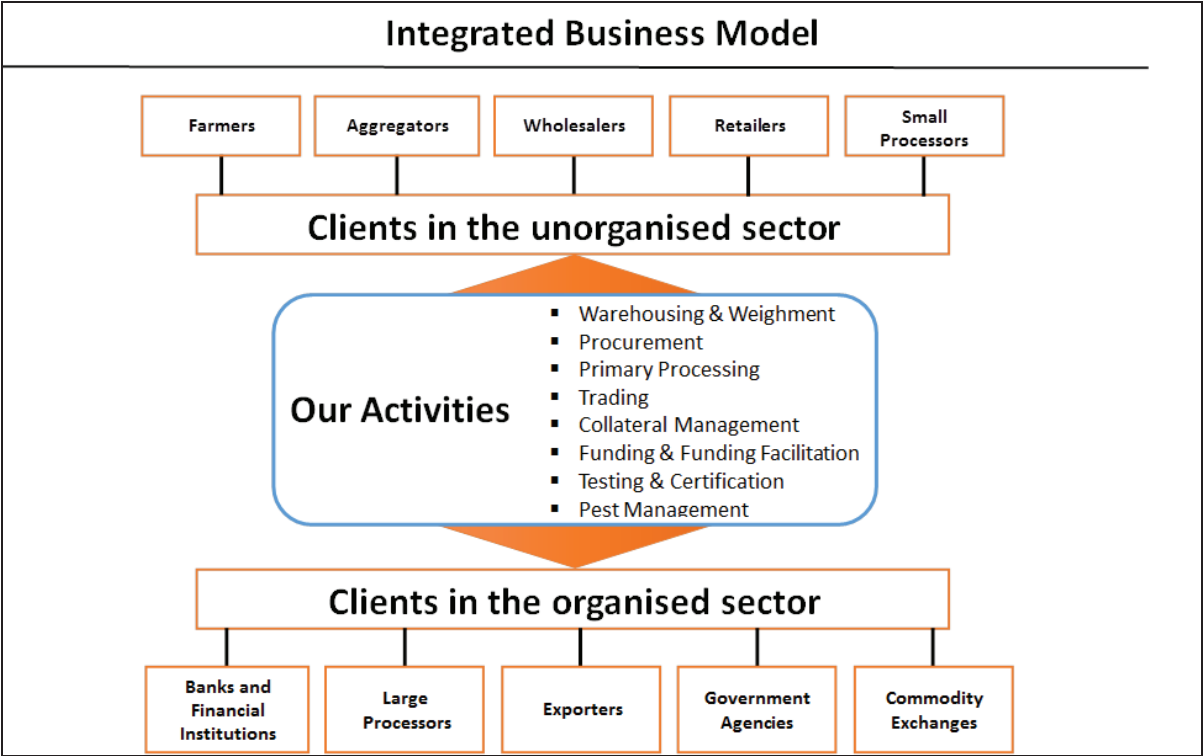
Our Company already has the requisite backend IT systems to record the quality and quantity of goods stored in our warehouses, which we propose to leverage for our *mandi* services. Our Company will provide *mandi* services in compliance with all applicable laws and subject to our existing contractual obligations.

Our Business Operations

Introduction

Our activities are presently focused on the Midstream Segment and wholesale distribution of agri-commodities, and are aimed at enhancing value and efficiency for market participants primarily through aggregation of agri-commodities and our integrated business model.

Our activities are classified as follows: (i) warehousing services (dry & cold); (ii) commodities procurement, primary processing & trading; (iii) collateral management & funding facilitation; and (iv) testing & certification and pest management services. We believe that our ability to procure, store, preserve and undertake primary processing as well as trade in agri-commodities allows us to function as a supply chain manager. The following diagram depicts our spectrum of our activities / services:



Our business, which was initially based in Rajasthan, has over the years witnessed growth in a phased and contiguous manner to the nearby states of Gujarat, Madhya Pradesh and Maharashtra.

Our integrated business model

Our commodities procurement, primary processing & trading activities, collateral management & funding facilitation activities, and testing & certification & pest management services are entrenched and integrated with our warehousing services. Each of our business activities is synergistic with each other. Thus, our customers have the convenience of availing various services and managing risks under one roof. These factors enable us to function as a supply chain manager. We believe that our 360 degree approach gives us a strategic

advantage for the growth and stability of our business, and also enables us to widen our revenue base as we can cross-sell our various services to our customers.

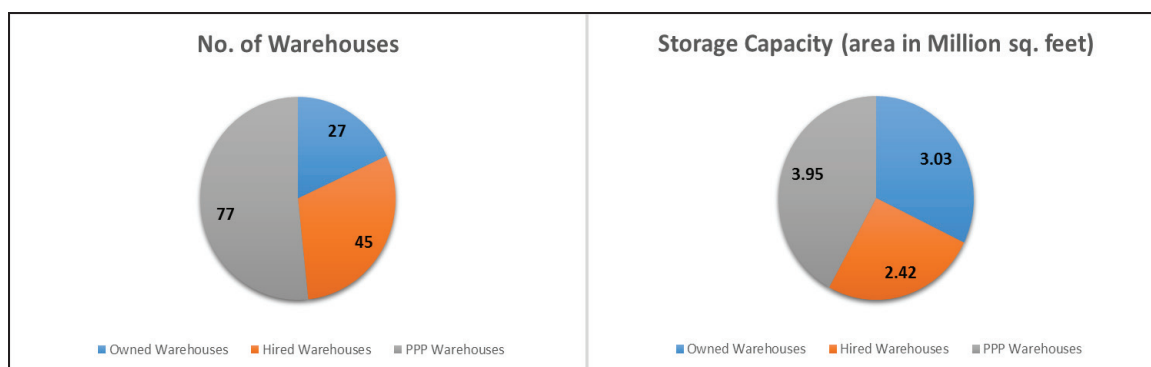
Warehousing services

As a part of our warehousing services, we offer storage infrastructure to a wide range of market participants dealing in agri-commodities, including farmers, traders & aggregators, processors and government agencies. Our warehousing infrastructure is supported with our weighment facilities at most of our warehouses.

As of November 30, 2014, we manage and operate a total of 149 Owned Warehouses, Hired Warehouses and PPP Warehouses across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, with a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area. Our network of warehouses and other facilities is based on a hub and spoke model. For a graph depicting the location of our warehouses, please see the sub-section titled “*Hub and spoke model and strategically located warehouses*” on page 168.

Further, as on November 30, 2014, the total market value of goods stored in our warehouses in the month of November 2014 was ₹ 31,675 million in terms of the value thereof declared to our insurers in relation to the insurance cover maintained by our Company. For further details regarding our insurance cover, please see the sub-section titled “*Insurance*” on page 177.

The following graph provides a break-up of the total number of warehouses and storage capacity (in million sq. ft. in terms of storable floor plate area) of goods managed and operated by us based on the classification of our warehouses as Owned Warehouse, Hired Warehouses and PPP Warehouses, as of November 30, 2014:



As a part of our warehousing services, we offer dry and cold storage space, which can cater to over 180 agri-commodities as per the insurance cover maintained by us. However, the following six commodities, viz. wheat, groundnut, castor seed, bengal gram, coriander and cumin seed, account for a majority of the goods stored by us (in terms of value thereof as declared to our insurers in relation to the insurance cover maintained by us) across all our 149 warehouses as of November 30, 2014. At our dry storage warehouses, we offer storage space at ambient temperature, whereas at our cold storage warehouses, we offer storage space with controlled temperature, which is generally in the range of 4 to 12 degrees centigrade. A majority of our warehouses are dry storage warehouses. As on November 30, 2014, we have 8 cold storage warehouses with a total storage capacity of around 739,549 sq. ft. in terms of storable floor plate area.

Further, through our electronic weighment facility by way of 60/100 metric tonnes weighbridges, which are available at all of our Agri-Logistics Parks (i.e. Hub Warehouses) and most of our PPP Warehouses, we are able to determine the quantity of the goods we deal in.

In addition, we also assist our warehousing customers with loading / lifting of their stocks into and out of our warehouses by sourcing the required labour on their behalf.

Commodities procurement, primary processing & trading activities

We believe that over time we have developed a deep understanding of certain agri-commodities and their demand-supply dynamics through our 'on ground' presence, which enables us to explore opportunities in relation to procurement, primary processing and trading of agri-commodities.

In relation to our procurement activities, we assist private entities dealing in agri-commodities to procure physical stocks, including in large volumes and with uniformity in quality, from *mandis*, auction sites, farmers, and traders & aggregators, based on the prices range, quality and grades specified by our clients. We also assist the RSWC as a service provider in fulfilling its obligations for procurement of agri-commodities. Further, as and when suitable market opportunities arise, we also engage in domestic and international trading of certain agri-commodities, including after having undertaken primary processing of the goods. We believe that our procurement capabilities and in-house primary processing facilities add value to our domestic and international clients.

With respect to our trading activity, given the volatility in prices of agri-commodities and other risks, our Company endeavours to adhere to certain risk management practices. We generally limit our procurement and trading operations only to the agri-commodities in which we believe we have developed an understanding and/or in relation to which we can undertake primary processing activities so as to ensure that we operate at commercially viable and competitive price range. Such commodities in which we generally deal include cumin, mustard, bengal gram, ground nut, coriander, fenugreek and certain dry fruits. Further, we implement exposure limits based on several criteria such as: financial exposure to a particular agri-commodity and client, quantum of inventory, time limit for holding inventory and liquidating positions, client credit limits, foreign exchange, etc. We also continuously monitor the fluctuations in prices.

A part of our trading activity is undertaken by leveraging upon our primary processing activities. Thus, we procure physical goods (domestically or internationally), undertake primary processing and thereafter sell a processed product in the domestic or international market. Further, a part of our trading activity is undertaken pursuant to suitable arbitrage opportunities available in the market, which entails limited price risk considering that goods are purchased and immediately sold on a back-to-back basis. Most of these arbitrage opportunities require physical procurement and holding of stocks until they are liquidated. We limit the holding period of such stocks so as to reduce the risk of deterioration in quality or damage or loss of the commodity. Our Company also undertakes opportunistic trading activity (domestically and/or internationally) linked to price movement of agri-commodities.

In relation to the cross-border trades undertaken by us, over the years we have exported to or imported from various countries. Most of our cross-border trades are undertaken through our key trading customers and suppliers, Amparo and Amiti, who are based in the United Arab Emirates. Amparo and Amiti are affiliated to the promoters of our Corporate Promoter.

These key trading customers and suppliers deal with the end counter-party buyers or sellers (as the case may be) and absorbs all related counter-party risks. This approach enhances our global reach whilst obviating the need to have a physical presence in various countries and enables us to streamline our operations. We, or our key trading customers and suppliers deal in several countries including Australia, United Arab Emirates, China and Brazil.

Our transactions with Amparo and Amiti have been conducted at all times on an arm's length basis. The following tables provide a snapshot of the export and import transactions undertaken by our Company with Amparo and Amiti:

Particulars	(in ₹ million)									
	Fiscal 2011		Fiscal 2012		Fiscal 2013		Fiscal 2014		Six months period ended September 30, 2014	
	₹	%^	₹	%^	₹	%^	₹	%^		
Total Exports*	61.20	100%	286.03	100%	418.72	100%	701.22	100%	148.52	100%
Goods Exported to Amparo*	60.74	99.25%	248.46	86.86%	418.72	100%	226.19	32.26%	40.15	27.03%
Goods Exported to Amiti*	-	-	-	-	-	-	126.47	18.04%	107.29	72.24%
Goods Exported to	0.46	0.75%	37.58	13.14%	-	-	348.56**	49.71%	1.08	0.73%

Particulars	Fiscal 2011		Fiscal 2012		Fiscal 2013		Fiscal 2014		Six months period ended September 30, 2014	
	₹	%^	₹	%^	₹	%^	₹	%^	₹	%^
Others*										
Total Imports	53.39	100%	108.84	100%	709.88	100%	983.09	100%	98.10	100%
Goods Imported from Amparo	51.68	96.81%	108.84	100%	709.88	100%	453.14	46.09%	77.27	78.76%
Goods Imported from Amiti	-	-	-	-	-	-	183.69	18.69%	11.81	12.04%
Goods Imported from Others	1.71	3.19%	-	-	-	-	346.26***	35.22%	9.02	9.19%

^Percentage of total exports or imports, as the case may be.

* Revenue from sale of trading products (including primary processed goods).

** Exports of almonds to one particular party (in several consignments) accounted for the entire amount.

*** Imports of almonds from one particular party (in several consignments) accounted for ₹ 317.89 million of this amount.

Note: All figures in the above table are based on the value of the invoice generated for these transactions.

Particulars		Fiscal 2013		Fiscal 2014		(in ₹ million)	
		Six months period ended September 30, 2014					
		₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue
Total Revenue		2,432.14	100%	3,779.76	100%	1,399.22	100%
Total Revenue from Operations		2,318.82	95.34%	3,693.78	97.73%	1,398.83	99.97%
Total Revenue from Sale of Trading Products*		1,987.43	81.72%	2,998.09	79.32%	760.34	54.34%
<u>Part I: From Exports</u>	Exports to Amparo (A)	418.72	17.22%	226.19	5.98%	40.15	2.87%
	Exports to Amiti (B)	-	-	126.47	3.35%	107.29	7.67%
	Exports to Others	-	-	348.56**	9.22%	1.08	0.08%
<u>Part II: From Domestic Sales (resulting from Goods that are Imported)^</u>	Imports from Amparo (C)	733.25	30.15%	697.82	18.46%	78.10	5.58%
	Imports from Amiti (D)	-	-	211.20	5.59%	49.60	3.55%
	Imports from Others	-	-	32.15	0.85%	1.82	0.13%
<u>Part III: From Domestic Sales (resulting from Goods that are sourced domestically)</u>		835.46	34.35%	1,355.71	35.87%	482.30	34.47%
Total Trading Revenue in connection with Amparo and Amiti (A + B + C + D)	Amparo (A + C)	1,151.97	47.36%	924.01	24.45%	118.25	8.45%
	Amity (B + D)	-	-	337.67	8.93%	156.89	11.21%
	Combined (A + B + C + D)	1,151.97	47.36%	1,261.67	33.38%	275.14	19.66%

* Revenue from sale of trading products (including primary processed goods).

** Exports of almonds to one particular party (in several consignments) accounted for the entire amount.

Further, in relation to our cross-border trading activities with Amparo, we have terminated our long term agreement dated April 18, 2013, in order to retain greater commercially flexibility and now transact with Amparo on an individual order basis. We have also undertaken certain trades in the past with Argos International Marketing Private Limited (“Argos”), an entity that is affiliated to the promoters of our Corporate Promoter. We have not undertaken any agri-commodities related trades with Argos since December 2012.

Our Company also undertakes primary processing of agri-commodities on a captive basis in relation to its trading activities. Such primary processing involves the cleaning, de-stoning, grading, sorting and decorticating of agri-commodities. In this regard, we have dedicated spaces at most of our Owned Warehouses. In addition, we have a cleaning, mechanical grading, and decorticating unit at our warehouse at Salawas, Jodhpur. We also offer this space to our warehousing customers, who can undertake primary processing of

their goods (grading and sorting) at the warehouse itself before storage; and we intend to offer such services in the future.

Moreover, our Company is at an advanced stage of setting up a primary processing plant at Netra, Rajasthan with modern equipment and technology, which will replace our existing unit at Salawas, Jodhpur. A total investment of ₹ 476.60 million is being made towards this plant, which is expected to be commissioned by June 30, 2015. The machinery to be used at the plant has been sourced from, amongst others, Buhler (India) Private Limited. This plant, once operational, is expected to process agri-commodities such as cumin, sesame and ground nut with a capacity of 3 metric tonnes of cumin per hour, 1.5 metric tonnes of sesame per hour and 5 to 8 metric tonnes of ground nut per hour, respectively. The plant can also cater to other agri-commodities such as fennel, fenugreek and coriander. This plant is strategically located as Rajasthan accounts for 38.43% of the total cumin production of India (as projected for the year 2011-2012 by the SpBI) and 17.82% and 13.14% of the total sesame and ground nut production in India, respectively (for the year 2012-2013 as per the Directorate of Economics and Statistics under the Ministry of Agriculture). The plant is based on total land area of around 39.93 acres out of which certain portion of land has been developed for setting up the proposed primary processing plant and balance portion of land has been reserved for future expansion.

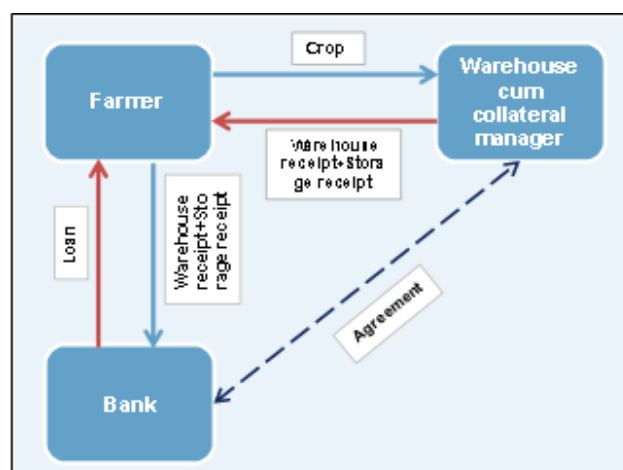
Collateral management & funding facilitation

As a part of our collateral management & funding facilitation activities, our Company currently facilitates financing primarily against collateral of the collateral or both against the stocks stored in our warehouses by acting as a business facilitator and/or as a manager. In this regard, our Company works with various banks and financial institutions and enables various market participants to source funding from these banks and financial institutions. Accordingly, our customers have the added convenience of availing credit facilities under one roof.

In relation to our collateral management services, we are paid fees for assisting banks and financial institutions in managing the collateral security provided to them by the borrower in the form of warehousing receipts for the goods stored in our warehouses (the physical custody of which is under our control to the extent the goods are stored in our warehouses). As regards the funding facilitation services provided by our Company, we assist market participants dealing in agri-commodities in accessing banks and financial institutions to avail credit facilities, in connection with which we earn a commission.

Funding by banks and financial institutions against warehouse receipts (which acknowledges deposit of good in a warehouse for storage and title and ownership thereto) obviates the need for them to manage the physical stocks involved. We believe that the registration obtained for some of our warehouses with the WDRA, which enables us to issue negotiable warehouse receipts (as compared to non-negotiable warehouse receipts, which can be issued even without such a registration), enhances the value of our collateral management services as well as our warehousing service as the negotiable warehousing receipts issued by us can be easily traded and funded against by banks and financial institutions.

The following diagram depicts the arrangement we have with the banks and financial institutions we have tied-up with in relation to our above described collateral management & funding facilitation activities:



Source: CRISIL Industry Report

In particular, our Company has entered into an ‘agreement for provision of independent services as business correspondent’ dated December 3, 2014 with Yes Bank Limited (Yes Bank) to act as their business correspondent for facilitating loans to eligible borrowers. Pursuant to this agreement, our Company will earn a commission or fee for our services. The quantum of the commission or fee is to be mutually agreed upon from time to time and on a case to case basis, and is subject to certain specified conditions.

Upon an event of default by the borrowers of the loans extended by Yes Bank pursuant to this agreement, Yes Bank is entitled to recall such loans. Upon such a default, Yes Bank is further entitled to require our Company to purchase the stock pledged by the borrower (as collateral security) to Yes Bank (within 24 hours of the default) at a price sufficient to cover the outstanding loan amount. In this regard, our Company has extended a guarantee of up to ₹ 750 million (plus interest) to Yes Bank.

In relation to the obligations of our Company under this agreement, amongst others, our Company is liable for any loss to Yes Bank, if any, arising from any dishonest, negligent, criminal, fraudulent act or breach of obligations under the agreement. Our Company has also indemnified Yes Bank for, amongst others, any breach of warranty or obligation of our Company under the agreement. Our Company is further required to maintain insurance cover, at our own cost, as may be considered necessary by Yes Bank.

Moreover, our Company recently acquired PHTCPL, as its wholly owned subsidiary, on December 31, 2014 by purchasing 139,000 shares for an aggregate sum of ₹ 15.15 million. PHTCPL is registered as an NBFC with RBI. The object of acquiring PHTCPL is to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses or warehouses approved by PHTCPL, the quality of which can be tested and certified at our in-house laboratories or laboratories approved by PHTCPL. Further, our Company has entered into a collateral management agreement’ dated December 19, 2014, to govern the terms on which our Company will provide collateral management services to PHTCPL. Under this agreement, the Company is responsible to obtain insurance cover in relation to the goods stored in the warehouses’ of the Company. Further, PHTCPL has entered into an e-pledge facilitation agreement dated February 5, 2015 with NCDEX to lend against the goods which can be traded on the NCDEX.

In relation to the business of PHTCPL, given the potential for high credit, liquidity and interest-rate related risks, amongst others, we have adopted a risk management policy so as to mitigate such risks. Accordingly, one of the cornerstone principles being adopted for undertaking this line of business is to lend against the security of the stocks stored in our warehouses or any other warehouse approved by PHTCPL. As per the risk management policy adopted, we have imposed exposure limits based on several criteria such as financial exposure to a particular agri-commodity, location and client, maximum duration of the loan and time limit for enforcing the security in the event of a default. Further, exposure is primarily limited to commodities, which have a fairly liquid market, and a mark-up margin is imposed on the value of goods provided to us as security

to factor in volatility in the market prices. We ensure that we continuously monitor the fluctuations in prices such that we can periodically mark-to-market the security provided to us.

The potential for our collateral management & funding facilitation activities is supported from the fact that the total market value of goods stored in our warehouses alone, in the month of November 2014, was ₹ 31,675 million (approximately) in terms of the value thereof declared to our insurers in relation to the insurance cover maintained by our Company. For further details regarding our insurance cover, please see the sub-section titled “*Insurance*” on page 177.

Testing & certification and pest management services

An accurate assessment of the quality of agri-commodities we deal in is an important aspect of our business as the quality and grade of agri-commodities can vary greatly, which impacts their value. It is also important that the stored commodities do not deteriorate while in storage due to infestation.

Thus, although some of the above issues are addressed by us through our standard operating procedures, another measure, which has been adopted by us, our objective is to assess in-house and record in writing the accurate quality and grade of the stock we deal in. An accurate measure of the quality of agri-commodities also enhances its marketability.

Accordingly, our Company has set up our Central ACL to provide testing and certification services for several parameters for various agri-commodities and non-agricultural commodities. Our Central ACL is ISO 9001 : 2008 and ISO / IEC 17025 : 2005 (NABL) certified. The commodities, which we can test at our Central ACL include, amongst others, wheat, barley, castor seeds, cumin seed, sesame seed, mustard, cotton seed oil cake, coriander, guar seed, guar gum splits, apart from drinking water and steel. Our Central ACL has a SAP based online data capturing system to capture and transmit data.

Further, we have 36 satellite testing and certification laboratories located in 36 of the warehouses managed and operated by us (“**Satellite ACLs**”), which are linked to our Central ACL. Our Central ACL and Satellite ACLs implement standard operating procedures carried out by a team of professionals.

In certain instances (such as upon the request of our customer, goods brought for storage in our warehouses which are traded on the NCDEX, goods stored in our WDRA registered warehouses, goods funded against, or as may be required by us in relation to our various activities), as a matter of our standard operating procedures, the goods are tested and certified for their quality and grade, and details of which are documented. A similar process is followed when the physical stock of such goods are being withdrawn from our warehouses so as to ensure that the correct quality and grade (and therefore value) of goods are being returned. Our in-house capabilities enable us to undertake such testing and certification activities with a short turnaround time.

In addition, in relation to our pest management services, we periodically fumigate and undertake other disinfestation measures for preserving and maintaining the life of the goods stored in our warehouses and the goods we otherwise deal in. Our Company has necessary equipment, facilities, licenses and trained manpower to perform pest management services at most of our warehouses.

At present our testing & certification and pest management services are generally utilized either in relation to our in-house service offerings and activities and/or in relation to our accreditation with NCDEX. We propose to offer these services on a larger scale to third-party basis (i.e. to customers who are not our warehousing customers).

Other activities

In addition to our above mentioned activities, and toward the end of acting as a supply chain manager, we periodically facilitate training programs for farmers and other market participants at various locations. We also undertake in-house packaging of goods stored at our warehouses and primary processing units.

Hub and spoke model and strategically located warehouses

We carefully select our warehouses at a macro-level to ensure a contiguous regional spread (e.g. the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra) and at a micro level to ensure proximity to areas of harvest, *mandis* or points of transport connectivity, amongst other factors.

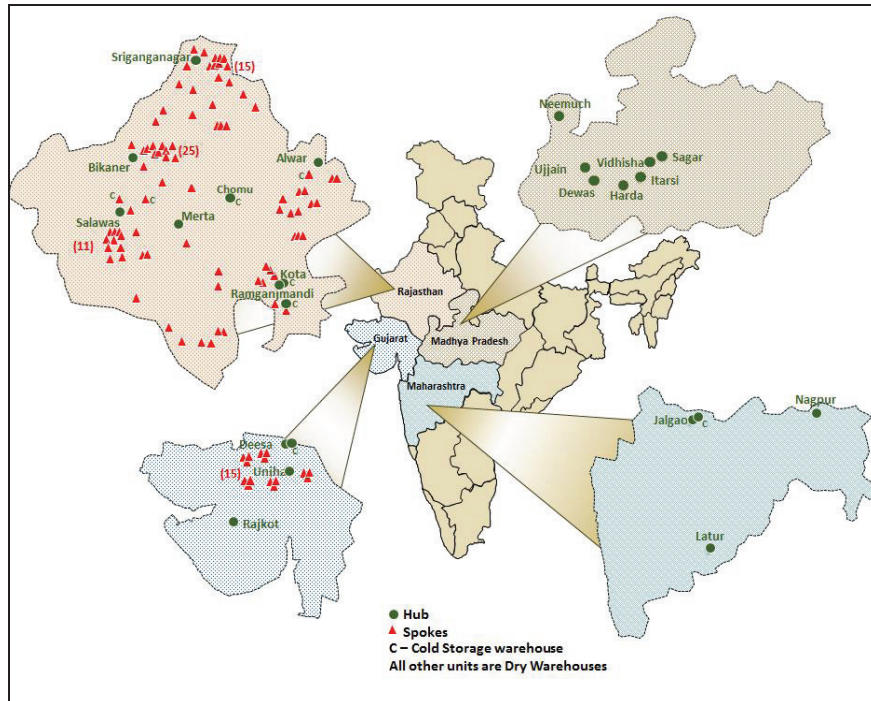
The business operations of our Company revolves around a hub and spoke model considering that the 149 warehouses we manage and operate, as of November 30, 2014, are spread across various locations in Rajasthan, Gujarat, Madhya Pradesh and Maharashtra.

Our Hub Warehouses are our Agri-Logistics Parks, which function as central hubs of operations within a defined region as they are proximately located to *mandis* or points of transport connectivity, including highways. We have invested a large amount of capital in our Hub Warehouses so that they are equipped with modern infrastructure conforming to WDRA standards at a minimum. The Hub Warehouses are equipped to support almost all of the business activities we offer or undertake in addition to our warehousing service. Our Hub Warehouses also represents a large share of our captive or dedicated storage capacity, which provides safety and stability to our business. As of November 30, 2014, we have 24 Hub Warehouses (i.e. Agri-Logistics Parks), which represents 30.81% of our total warehousing capacity.

Our other 125 warehouses (i.e. our Owned Warehouses, which are not Agri Logistics Parks, Hired Warehouses and PPP Warehouses), as of November 30, 2014, are our Spoke Warehouses, which represents 69.19% of our total warehousing capacity, and are strategically located closer to areas of harvest and are conveniently accessible to a Hub Warehouse. Our Spoke Warehouses are comparatively smaller in size (than our Hub Warehouses), and we only offer or undertake some of our business and support activities in addition to our warehousing services. Thus, the quantum of capital invested by us in our Spoke Warehouses is significantly lower (on a comparative basis in relation to our Hub Warehouses).

As our Spoke Warehouses are strategically located, they provide us with additional storage space and growth and expansion opportunities, without undertaking intensive capital investments. Hence, we can efficiently and conveniently leverage upon a Hub Warehouse to offer our services at our Spoke Warehouses, even if the same is not locally available at the Spoke Warehouse. Moreover, our Spoke Warehouses enable us to get closer to the farmers and other market participants, through our integrated business model, capitalize on business opportunities available across the Midstream Segment of the value chain and for the wholesale distribution of agri-commodities right from the points of origin.

The following map indicates the location of our warehouses:



Thus, through this hub and spoke model, we can establish our presence in a particular region with strong roots, widen the coverage area of our activities while optimally utilizing our resources, enhancing efficiency and rationalizing costs.

Analysis of our warehousing business

Diverse nature of rights in our warehouses

We believe we have an optimum mix of Owned Warehouses, Hired Warehouses and PPP Warehouses, which support our hub and spoke model. The distinction between our Owned Warehouses, Hired Warehouses and PPP Warehouses is detailed below. Our Company has been an early adopter of PPPs relating to agri-warehousing (source: CRISIL Industry Report), in addition to managing and operating warehouses on a complete ownership basis.

Our diverse nature of rights in our warehouses enables us to enhance capital efficiency and balance stability with growth. This business model is a key strength as well a principal business strategy for us. Our Owned Warehouses provide us with the safety and security of having dedicated storage space, which also assures our clients and other market participants of our stable presence and long term vision in the business through investments in infrastructure. On the other hand, our Hired Warehouses and PPP Warehouses provide us with more capacity for growth without undertaking incremental capital investments.

Further, our present PPP(s) is pertinent for our business as it also results in opportunities associated with the government agency involved, such as the procurement and warehousing business for us. For instance, as per certain welfare schemes, the government needs to procure and store agri-commodities, which are essentially carried out through various government agencies, including state warehousing corporations. Under the regulatory requirements, the government (acting directly or through various government agencies, including the state warehousing corporations) prescribes a minimum support price for certain agri-commodities and procures stock at such prices. Further, under the public distribution system, the government ensures the distribution of certain agri-commodities at concessional rates for the benefit of certain sections of society. Accordingly, these schemes, to the extent implemented through our PPP partners, are potential business opportunities for our Company.

Hence, our business model is aimed at owning our core infrastructure whilst enhancing capital efficiency, thereby giving us what we believe to be an optimum mix to balance stability with growth. In fact, as in the case of our entry and growth of our business in the states of Gujarat, Maharashtra, Madhya Pradesh and Rajasthan, our Company's typical strategy is to enter a geographic area of operation (i.e. a state) with Agri-Logistics Parks, which will function as our Hub Warehouses, so as to embed our roots in that area and then grow our presence and operations in that area by expanding through Hired Warehouses and/or PPP Warehouses as our Spoke Warehouses.

In our Owned Warehouses, the land, the structures thereupon and other infrastructure in relation thereto are directly owned by our Company. Our Company has a project management team to oversee the setting up of our Owned Warehouses. The infrastructure at most of these warehouses is modern. As of November 30, 2014, we have 27 Owned Warehouses, which represent 32.23% of our total warehousing capacity. 24 of our Owned Warehouses, which are our Hub Warehouses (i.e. our Agri-Logistics Parks), function as a central hub of operations for us within a region under our hub and spoke model, as they are comparatively larger in size and are equipped to offer or undertake almost all of our business activities apart from our core warehousing services.

In our Hired Warehouses, the land and structure thereupon are owned by a third-party (not being a government agency); and these warehouses have been contracted to us for management and operations pursuant to a private arrangement. The hiring arrangement is generally for a duration of 11 months, and these arrangements are renewed or terminated in the light of our business requirements. In certain cases the arrangement may be subject to a lock-in provision. Further, we ensure that we only hire such warehouses which meet our infrastructure requirement and specifications so as to ensure that we can provide the minimum desired level of quality in our activities. Our Company generally pays rent in relation to such warehouses. However, in certain locations, our Hired Warehouses are under a revenue sharing model, which in some cases stipulates a minimum obligation on the Company. Further, we endeavour to maintain flexibility for exiting from the hiring arrangement for our Hired Warehouse based on its commercial viability. As of November 30, 2014, we have 45 Hired Warehouses, which represent 25.73% of our total warehousing capacity.

In our PPP Warehouses, the land and the structure thereupon is owned or hired by a government agency and these warehouses have been contracted to us for management and operations. Our Company has made improvements and/or additions to the infrastructure pertaining to some of such warehouses (as is the case with RSWC) or has participated in the construction of the structures in relation thereto (as is the case with RSAMB). Our involvement in the infrastructure at these warehouses is to try and ensure that we provide the desired level of quality in our activities. These warehouses are either under a revenue sharing model with the concerned government agency (as is the case with RSWC) or on a rental basis (as is the case with RSAMB). As of November 30, 2014, we have 77 PPP Warehouses, which represents 42.04% of our total warehousing capacity.

A table providing a break-up of the total number of our warehouses and their storage capacity as of November 30, 2014 is provided in the sub-section titled "*Profile of our warehouses*" on page 177.

Our PPP Warehouses

In relation to our PPP Warehouses, our Company has been an early adopter of PPPs relating to agri-warehousing (*source: CRISIL Industry Report*). Further, we have demonstrated our ability in managing and operating warehouses under a PPP basis in relation to our RSWC MoU and RSAMB Agreements.

Our Company entered into the RSWC MoU to manage and operate all of RSWC's (present and future) warehouses across 38 specified locations in the state of Rajasthan. The RSWC MOU is for a term of 10 years, which can be extended with mutual consent.

As of November 30, 2014, our Company manages and operates 75 PPP Warehouses pursuant to the RSWC MoU, which provides for around 3.80 million sq. ft. in terms of storable floor plate area of our total storage capacity. Any additional warehouses acquired, developed or hired by RSWC at these 38 specified locations would provide us with additional storage capacity and related business opportunities.

The RSWC MoU is based on a revenue sharing model, and stipulates for the sharing of revenue generated from all the (present and future) warehouses of RSWC (whether owned or hired by the RSWC) at the 38 specified locations (“RSWC Warehouses”, which are also classified as our PPP Warehouses) as well as the (present and future) Owned Warehouses and Hired Warehouses of our Company in Rajasthan (“SSL Warehouses”). As on November 30, 2014, there are 12 Owned Warehouses and 30 Hired Warehouses in Rajasthan, which are covered as SSL Warehouses under the revenue sharing model of the RSWC MOU. As on November 30, 2014, the total storage capacity of the RSWC Warehouses and SSL Warehouses (which is covered under the revenue sharing arrangement of the RSWC MoU) is 6.44 million sq. ft. in terms of storable floor plate area.

The revenue generated from these warehouses (RSWC Warehouses and SSL Warehouses) is to be shared in the following ratio between RSWC and our Company:

Particulars	Ratio (RSWC : our Company)
Warehousing storage charges (including fumigation / insurance / indemnification) in case of a RSWC Warehouse	70 : 30
Warehousing storage charges (including fumigation / insurance / indemnification) in case of a SSL Warehouse	15 : 85
Weighbridge charges	30 : 70
Testing and certification services	30 : 70
Commodities funding services	50 : 50
Fumigation charges in relation to pest management services	90 : 10
Procurement charges	50 : 50

Further, in terms of the RSWC MoU, our Company assures the RSWC a minimum occupancy level of 70% of the storage capacity at the RSWC Warehouses (and other warehouses at locations mutually agreed upon), and warehousing charges in respect of any deficiency of the minimum occupancy level is to be borne by our Company (based on the storage charges of RSWC for food grains on a per bag per month basis). The occupancy level is to be determined on an average yearly basis across all the specified warehouses (and not on a per warehouses basis). However, our Company has till date exceeded the minimum occupancy level requirement.

The RSWC MoU further stipulates that our Company will not establish any warehouses or enter into any similar arrangement (with a public body or a private entity) at the agreed locations in Rajasthan, without the approval from RSWC. However, if our Company establishes any warehouses at the agreed locations in Rajasthan, the same will be governed by the terms of the RSWC MoU.

The storage capacity utilization level at the RSWC Warehouses (as defined) was at 47.74% in Fiscal 2009. On March 5, 2010 our Company entered into the RSWC MoU and for Fiscal 2010, the utilization level at the RSWC Warehouses was at 79.55%. For the eight months period ended November 30, 2014, the utilization level at the RSWC Warehouses was at 107.73%. We have been able to achieve a utilization level of over 100% through efficient space management by stacking commodities in a scientific and efficient manner.

Thus, given our past performance and track record with PPP Warehouses, our tie-up with RSWC opens up future avenues of growth for our Company and provides us with a platform to establish such opportunities with other state warehousing corporations.

In addition to our PPP with the RSWC, our Company has also entered into a PPP with the RSAMB pursuant to the RSAMB Agreements, viz. tender acceptance letters dated March 22, 2010 and April 15, 2010 issued by the RSAMB and agreements for leasing arrangements for operations dated March 13, 2012 and August 7, 2013 entered into with the RSAMB. Under the RSAMB Agreement we (on behalf of RSAMB) have constructed and presently manage and operate two cold storage warehouses in Rajasthan. Accordingly, we have earned revenue from construction activities in relation thereto during Fiscals 2013, 2012 and 2011. Further, in terms of the RSAMB we are paying RSAMB a rent in return for our right to manage and operate these two warehouses.

Key accreditations and registrations

We are accredited with NCDEX as a warehousing service provider and assayer. Accordingly, some of our warehouses are eligible to store goods traded on the NCDEX, and our Central ACL is accredited to undertake assaying activities for such goods. In view of the exclusivity of our accreditation with the NCDEX, we cannot enter into any similar arrangement with any other commodities exchange. NCDEX is one of the largest agri-commodities exchange in India.

Further, we have obtained registration with the WDRA for some of our warehouses. Registration with the WDRA is a requisite for accreditation of certain of our warehouses with NCDEX. It further enables us to issue negotiable warehouse receipts (as compared to non-negotiable warehouse receipts, which can be issued even without such a registration subject to other local law requirements). A warehouse receipt acknowledges the deposit of goods in a warehouse for storage and title and ownership thereto. Negotiable warehousing receipts can be easily traded and also be used for availing debt finance with greater creditability. The fact that we can issue negotiable warehousing receipts is one of our advantages in relation to our collateral management & funding facilitation activities.

Network of warehouses with quality infrastructure

Our Company lays a high degree of importance in the quality of activities we undertake and services we offer, which stems from the value system imparted by our Promoters and our belief that it is paramount to ensure that our customers are satisfied. Moreover, the goods we handle and deal in are perishable or semi-perishable in nature. Thus, our Company has invested a sizeable amount of capital in creating quality infrastructure to form the backbone of our business operations. Our Company has a project management team to oversee the setting up of our Owned Warehouses.

Our Agri-Logistics Parks are scientifically designed and equipped with modern infrastructure conforming to WDRA standards at a minimum. Our Agri-Logistics Parks include some or all of following features depending on the type of warehouse (dry or cold):

- the warehouses are pre-engineered structures, which are mobile and can be moved from one location to another;
- roof and side claddings of the warehouse are insulated, which helps in maintaining the temperature inside the warehouse 8 - 12° centigrade below the outside temperature;
- turbo ventilators and roof monitors or ridge ventilators on the ceiling of the warehouse to control the airflow and improve aeration for better preservation of the goods stored;
- testing & certification laboratories;
- electronic weighbridges having a capacity of 60 / 100 metric tonnes;
- fumigation and spraying facilities including stack sized fumigation covers, sprayers and dusters;
- at least 1.2 metres high docking arrangement for convenient 'in and out' operations and also to protect the stocks from external hazards like floods;
- rodent repellents and gate curtains to prevent rodent and bird entry inside the warehouse;
- designated area for primary processing of the commodities, including physical cleaning, de-stoning and physical grading;
- wide roads all around the warehouse for easy movement of large trolley-trucks;
- one way traffic movement allowing easy movement of trucks;
- directional, safety and information signage in the entire complex for disciplined and smooth movement of personnel, vehicle and materials;
- fire-fighting systems with hydrants and water reservoirs (with round the clock power availability backed by emergency diesel generating set), fire extinguishers and sand buckets in appropriate numbers;
- 24x7 security control through approved security services; and
- SAP linked on-line data entry for recording and monitoring stock movement and for issuance of warehouse receipts from the location of the warehouse itself.

The following photographs depict the infrastructure and operations at our Agri-Logistics Parks (ALP):

Warehouse Structure at the ALP



Aerial view of the ALP



Turbo Ventilators and Roof Monitor



Insulated Roof and Cladding



Pre-engineered Structure



Docking Area



One-way Traffic Movement



Stacking of Goods



Staging Area for Cold storage



Inside View of Cold Storage with Goods



Gate Curtains prevent rodent



Electronic Weighbridge



cold storage machinery unit



Unloading of goods at bay point



One-way Traffic Movement



Power Backup – DG set



Our Owned Warehouses, which are not Agri-Logistics Parks, Hired Warehouses and PPP Warehouses have 0.50 to 1.20 metres high docking arrangements, roads, firefighting systems (covering fire extinguishers and sand buckets in appropriate numbers), 24x7 security control through approved security services, and arrangements for data entry on SAP. Most of the PPP Warehouses also have electronic weighbridges. Further, some of the Hired Warehouses and PPP Warehouses have Satellite ACLs.

All our cold storage warehouses are multi-chamber and multi-floor cold storages ensuring optimum land use and air-circulation efficiency. The cold storages have round-the-clock power supply backed by diesel generating sets of appropriate capacity. Our cold storage Agri-Logistics Parks also have bulk goods lifts for taking commodities to different floors.

Average storage capacity per warehouse

Through a combination of the Owned Warehouses, Hired Warehouses and PPP Warehouses we manage and operate, as of November 30, 2014, we have a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area, with an average storage capacity of around 63,022 sq. ft. per warehouse in terms of storable floor plate area. Further, as of November 30, 2014, the total storage capacity of our 27 Owned Warehouses is around 3.03 million sq. ft. in terms of storable floor plate area, with an average storage capacity of around 112,102 sq. ft. per Owned Warehouse in terms of storable floor plate area. The storage capacity of a warehouse will vary depending upon, amongst other factors, the mix of commodities stored, the size of the warehouse (i.e. the length * breadth * height) and the infrastructure available.

Thus the scale of storage capacity we enjoy in our warehouses, our hub and spoke model and the diverse nature of rights in our warehouses increases our efficiency and enables us to leverage on economies of scale. The following graph depicts the storage capacity (in area) at our warehouses as on November 30, 2014:

Parameter	Owned Warehouses	Hired Warehouses	PPP Warehouses	All Warehouses
Highest Storage Capacity	210,702	346,822	164,568	346,822
Lowest Storage Capacity	10,454	12,332	3,060	3,060
Average Storage Capacity	112,102	53,692	51,265	63,022
Total Storage Capacity	3,026,744	2,416,141	3,947,429	9,390,314

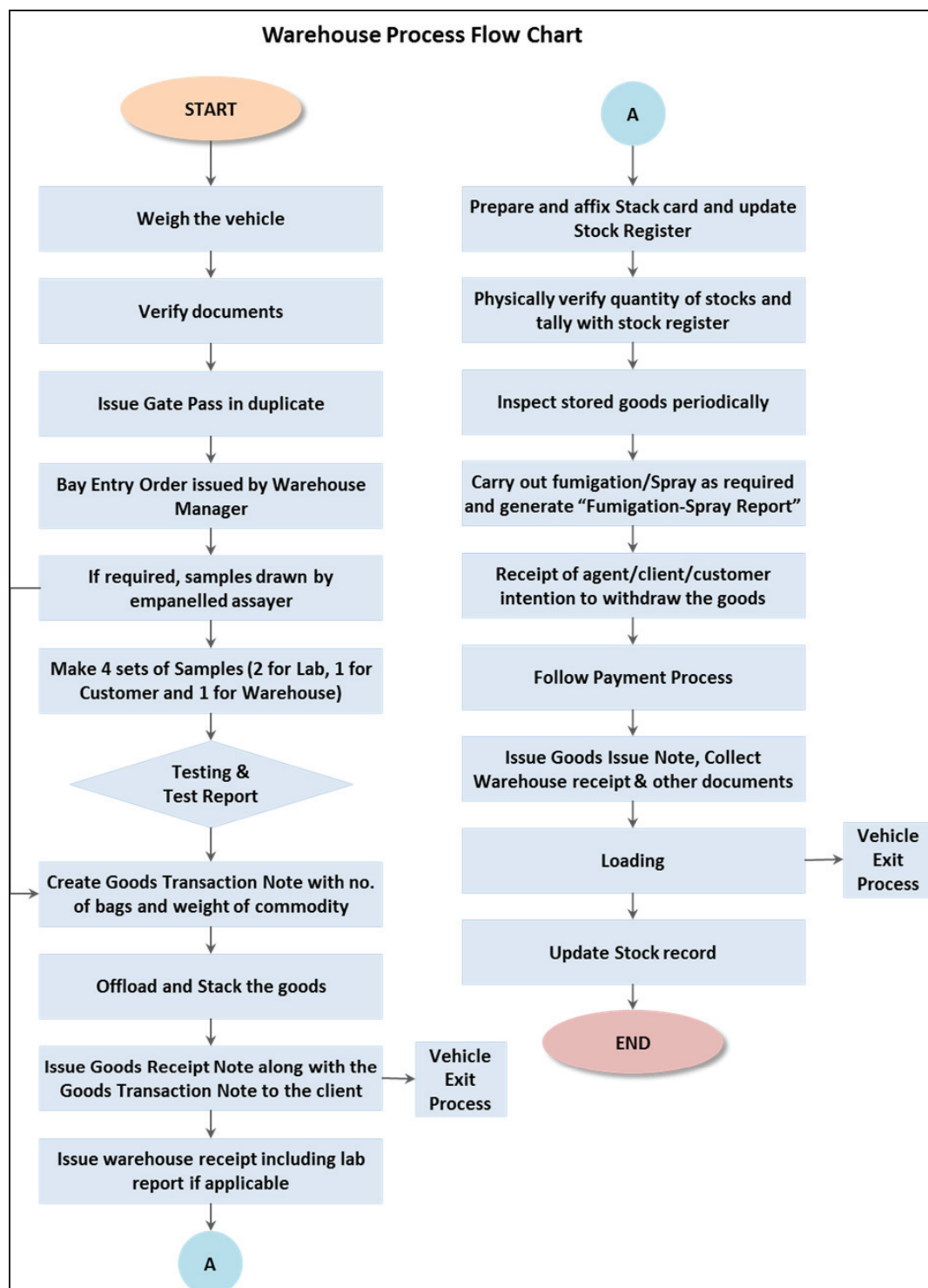
Robust warehousing operations

Our warehousing operations are based on our standard operating procedures. These operations are carried out by trained professionals and supervised by experienced staff. Our standard operating procedure is reviewed and updated from time to time. We ensure that our operations maximize efficiency while reducing costs. The standard operating procedure for our warehousing operations is further detailed below.

In addition, our warehouses are SAP linked, which enables us to de-centralize and carry out data entry electronically, record the movement of stock and issue warehouse receipts from the warehouse location after clearance from our corporate office in Mumbai. Further, we can centrally monitor all transactions from our corporate office in Mumbai. Moreover, we have round the clock security at our warehouses and are also taking step towards installing CCTV cameras at our Agri-Logistics Parks to further strengthen our internal controls system. We also conduct detailed internal audits on a regular basis through independent chartered accountants and/or our internal audit teams for physical verification of stocks and inventory at all locations. In addition we maintain insurance cover to further mitigate various risks we are exposed to.

Further, as detailed above, through our electronic weighment facility at our warehouses and our testing & certification and pest management services, we are able to determine the quantity and quality as well as preserve and maintain the life of the goods we deal in.

The following diagram represents the typical flow of operations at our warehouses:



Profile of our warehouses

The following table provides a break-up of the number of our warehouses and their storage capacity as on November 30, 2014.

Particulars		Rajasthan	Gujarat	Madhya Pradesh	Maharashtra	Total
No. of Warehouses*	Owned Warehouses	12	4	7	4	27
	Hired Warehouses	30	15	0	0	45
	PPP Warehouses	77	0	0	0	77
	Total	119	19	7	4	149
Total Storage Capacity (in area) **	Owned Warehouses	1,036,460	421,516	970,470	598,298	3,026,744
	Hired Warehouses	1,609,370	806,771	0	0	2,416,141
	PPP Warehouses	3,947,429	0	0	0	3,947,429
	Total	6,593,259	1,228,287	970,470	598,298	9,390,314
Average Storage Capacity (in area based on arithmetic mean) **	Owned Warehouses	86,372	105,379	138,639	149,575	112,102
	Hired Warehouses	53,646	53,785	0	0	53,692
	PPP Warehouses	51,265	0	0	0	51,265
	Across All	55,406	64,647	138,639	149,575	63,022

* Figures depict the number of warehouses.

** Figures depict capacity in sq. ft. in terms of storable floor plate area.

Awards and recognitions

Our Company has been bestowed with awards and recognitions. For further details, please see the section titled “History and Certain Corporate Matters” on page 189.

Subsidiary of our Company

Our Company has recently acquired PHTCPL. PHTCPL is registered as a NBFC with RBI and is a wholly owned subsidiary of our Company. The object of acquiring PHTCPL is to directly provide funding facilities through PHTCPL to market participants dealing in agri-commodities. For further details regarding PHTCPL, please see the sub-section titled “Collateral management & funding facilitation” on page 159 and the section titled “History and Certain Corporate Matters” on page 189.

Collaborations and tie-ups

Our Company has entered into a PPP with the RSWC and RSAMB to manage and operate warehouses. For further details in this regard, please see the sub-section titled “Our PPP Warehouses” on page 170.

Further, our Company has accreditations or registrations with NCDEX and WDRA. For further details in this regard, please see the sub-section titled “Key accreditations and registrations” on page 172.

Insurance

Our insurance coverage is a key aspect of our risk management strategy. Accordingly, as of November 30, 2014, we maintain a standard fire and special perils, and burglary and housebreaking insurance covers (with add on covers for risks such as earthquake, spontaneous combustion and theft) with respect to the goods stored in our warehouses. The standard fire and special perils insurance cover obtained by our Company is for ₹ 37,000 million with effect from July 2, 2014, and the value of goods stored in our warehouses, which was declared to our insurers under this policy in the month of November 2014 was ₹ 31,675 million (approximately).

Further, we have also obtained crime, professional indemnity and directors' & officers' management liability cover, which protects our Company from any fraud, amongst other risks, on the part of our employees.

In addition, we have obtained marine cargo and marine sales turnover insurance cover in relation to our cross-border and domestic commodities procurement, primary processing & trading activities. We have also obtained cover in relation to fire, burglary and housebreaking, money in transit and employee benefit, amongst others, generally in relation to our business.

Export possibilities and export obligations

Our Company engages in cross-border trade in relation to our commodities procurement, primary processing & trading activities. For further details in this regard, please see the sub-section titled "*Commodities procurement, primary processing & trading activities*" on page 162.

Further, our Company is in the process of importing certain machinery with respect to our proposed primary processing plant at Netra, Rajasthan. A purchase order has been placed by the Company in this regard, which is expected to create certain export obligations under the Zero Duty EPCG Scheme (under the Foreign Trade Policy of India, 2009 – 2014). In this regard, our Company is yet to obtain a license under the Zero Duty EPCG Scheme in this regard. Currently, our Company does not have any export obligations.

Competition

We face competition across our business activities from varied players. In relation to our warehousing services and commodities procurement, primary processing & trading activities we compete with state warehousing corporations, private warehousing service providers, numerous traders and aggregators including, inter-alia, the Central Warehousing Corporation, the respective state warehousing corporations in the states in which we operate, JICS Logistic Limited, National Bulk Handling Corporation Limited, National Collateral Management Services Limited, Sohan Lal Commodity Management Private Limited, and Star Agri Warehousing and Collateral Management Limited.

In relation to our collateral management & funding facilitation services, PHTCPL competes with various players in the NBFC industry as well as banks. Certain key NBFCs, who lend against agri-commodities in the post-harvest value chain, are L&T Finance Limited, Edelweiss Financial Services Limited, Kissandhan Agri Financial Services Private Limited and Sustainable Agro-commercial Finance Limited. In relation to our collateral management services, certain key players are Arya Collateral Warehousing Services Private Limited, Geo Chem Laboratories Private Limited, Indian Commodities (a division of Suvidh Commodities E Com Private Limited), National Bulk Handling Corporation Limited, National Collateral Management Services Limited, Sohan Lal Commodity Management Private Limited, and Star Agri Warehousing and Collateral Management Limited.

Customers

Our activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges.

Property

As of November 30, 2014, our Company manages and operates 149 warehouses, with a diverse nature of rights therein. A table providing a break-up of the total number of warehouses on the basis of the hub and spoke model under which they are managed and operated and their location (on a state-wise basis) as of November 30, 2014 is provided in the sub-section titled "*Profile of our warehouses*" on page 177. For further details regarding the nature of our rights in our 149 warehouse, please refer to the sub-section titled "*Diverse nature of rights in our warehouses*" at page 169.

Further, our registered office is at Gandhinagar (Gujarat), and we have a corporate and a regional office at Mumbai (Maharashtra) and Jodhpur (Rajasthan), respectively.

Furthermore, a portion of the Net Proceeds from the Fresh Issue is proposed to be utilized for setting up new warehouses. For further details in this regard, please see the section titled “*Objects of the Offer*” on page 105.

Raw materials, plant, machinery and equipment

We require raw materials in the form of agri-commodities in relation to our commodities procurement, primary processing & trading activities. For further details in this regard please see the sub-section titled “*Commodities procurement, primary processing & trading activities*” on page 162. Further, our utilities such as electricity and water are sourced from various local government bodies and/or private entities in certain instances.

Our plant, machinery and equipment includes pre-fabricated steel buildings with civil structures (in relation to our Owned Warehouses), refrigeration units (in relation to our cold storage warehouses), weighbridges, goods lift, transformers and generators, testing & certification equipment, amongst others. Further, the machinery to be used at our proposed primary processing plant at Netra, Rajasthan has been sourced from, amongst others, Buhler (India) Private Limited. A purchase order has been placed for the machinery in relation to our proposed primary processing plant at Netra, Rajasthan and these are expected to be delivered by March 31, 2015.

Employees

As of November 30, 2014, the total staff strength (excluding support staff) on our payrolls is 515 employees.

Intellectual Property

We use certain trademarks in relation to our business. For further details regarding the material intellectual property used by us, please see the section titled ‘*Government and Other Approvals*’ on page 376.

Marketing

Over the years we have engaged and worked with various market participants in the agri-commodities value chain, which leads to regular business for us. As and when we expand our warehousing locations, we undertake various marketing campaigns to create awareness amongst farmers, traders and aggregators and other market participants about our activities and services. We have a business development team, which regularly meets with various market participants for their on-going business requirements and also makes them aware of our new services. In relation to our commodities procurement, primary processing and trading activities, we have been working with domestic wholesalers who are aware of our activities and there is no distinct marketing that we undertake in this regard. For our cross-border activities, we deal through our key trading customers and suppliers based in the United Arab Emirates.

Information technology

Each of our warehouses are linked to SAP for data entry to record and monitor stock movement and for issuance of warehouse receipts from the location of the warehouse itself. Our Central ACL has a SAP based online data capturing system to capture and transmit data.

SAP has been licensed to our promoter, KPTL; and our Company is permitted to use the software under the license, until such time KPTL holds more than 50% of voting rights in our Company.

REGULATIONS AND POLICIES

We are engaged in storage, primary processing, trading and provision of logistical services for agricultural commodities and related lending activities. The following is an overview of certain sector specific laws and regulations in India which we are subject to in relation to our business. Taxation statutes such as the IT Act and other miscellaneous regulations apply to us as they do to any other Indian company.

The description of laws and regulations set out below are not exhaustive, and are only intended to provide general information and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the 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.

CENTRAL LAWS

The Food Safety and Standards Act, 2006

The Food Safety and Standards Act, 2006 (“**FSS Act**”) constituted the Food Safety and Standards Authority of India (“**FSSAI**”), to regulate and monitor the manufacture, processing, distribution, sale and import of food, to ensure availability of food safe for human consumption and establish the food safety standards, and an appropriate system for its enforcement. The FSSAI is required to provide scientific advice and technical assistance to the central government and the state governments in framing the policy and rules regarding food safety and nutrition. The FSS Act provides for the licensing and registration of food businesses, and prescribes, responsibilities of the food business operators, rules relating to packaging and labelling, restrictions on unfair trade practices, and the liability of manufacturers, packers, wholesalers, distributors and sellers.

Spices Board Act, 1986 and the Spices Board Rules, 1987

The Spices Board Act, 1986 (“**Spices Board Act**”) provides for the constitution of the Spices Board that operates under the Ministry of Commerce and Industry to maintain and monitor the quality of exports, and assist research for improvement of processing, quality, techniques of grading and packaging of spices. The Spices Board Act mandates a person to obtain a certificate of registration from the Spices Board in order to commence or carry on the business of export of any spice. The Spices Board may cancel or suspend the operation of such certificate in accordance with the Spices Board Act. The Spices Board Rules, 1987 provide for the grant of a spice house certificate for a spice exporter who has its own/rented/leased premises having the prescribed facilities for cleaning, grading, processing, warehousing and packing. The Spices Board Act empowers the Spices Board to authorise a person to conduct inspection on notice, and also prescribes penalties in case of filing of false returns with the Spices Board, or any contravention with the provisions of the legislation.

The Agricultural and Processed Food Products Export Development Authority Act, 1985

The Agricultural and Processed Food Products Export Development Authority Act, 1985 (“**APFEDA Act**”) provides for the establishment of the Agricultural and Processed Food Products Export Development Authority, (“**APEDA**”) to register persons as exporters of the scheduled products. An appeal mechanism is provided for under the Agricultural and Processed Food Products Export Development Authority Rules, 1986 (“**APFEDA Rules**”) for challenging an order of refusal or cancellation of registration by the Authority. The APEDA seeks to promote export of the certain scheduled products and development the related industries by prescribing standards for these products, providing financial assistance, carrying out inspection of storage premises and processing plants to ensure quality of the products, and providing improvement in the packaging and marketing of these agricultural products outside India.

The Warehousing (Development and Regulation) Act, 2007

The Warehousing (Development and Regulation) Act, 2007 (“**WDR Act**”), came into force in India on October 25, 2010 and mandates registration of warehouses which issue negotiable warehouse receipts, in either physical or electronic form. The WDR Act establishes the Warehousing Development and Regulatory Authority (“**WDRA**”), which oversees the registration of the warehouses, and the accreditation agencies. The WDRA is required to undertake inspection,

conduct investigations, including audit of the warehouses, accreditation agencies and other organisations connected with the warehousing business. The WDR Act and the regulations there under, the Warehousing Development and Regulatory Authority (Negotiable Warehouse Receipts) Regulations, 2011, prescribe the particulars for a negotiable warehouse receipt and provide for the manner of its issuance, endorsement and surrender. The WDR Act also provides for the rights of the holder who has purchased a warehouse receipt for valuable consideration and lays down the duties and liabilities of the warehouseman, and provides for establishment of an Appellate Authority, for adjudication of any issue arising from any order of the WDRA.

The Factories Act, 1948

The Factories Act, 1948 (the “**Factories Act**”) lays down the framework for the registration and licensing of factories, and assigns the power to the state governments to prescribe rules in this regard, and appoint factory inspectors to oversee the grant or refusal of approvals and licenses to the factories within its jurisdiction. The Factories Act applies to industries in which (i) 10 or more workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power, or (ii) 20 or more workers than 20 workers are employed in the manufacturing process being carried out without the aid of power. The factories inspectors are empowered to *inter alia*, conduct examination of premises, plants or machinery, and issue directions to the occupier of the factory. The Factories Act specifies general duties of the occupier, and lays down standards for maintenance of facilities for the welfare and health of the workers, the working hours for the adult workers, the rules relating to the employment of young persons, and also prescribes the safety measures required to be in place. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in the event of any contravention and sets out an appeal mechanism for the manager or occupier of a factory on whom an order by a factories inspector has been served.

The Insecticides Act, 1968 and the Insecticides Rules, 1971

The Insecticides Act, 1968 (the “**Insecticides Act**”) regulates manufacture, sale, storage, transport, distribution and use of insecticides with a view to prevent risk and ensure safety to human beings or animals. The Insecticides Act mandates the requirement of a license, which is applicable to any person desiring to manufacture or sell, or exhibit for sale or distribute any insecticide, or to undertake commercial pest control operations with the use of any insecticide. The Insecticides Act lays down the framework for grant, revocation, suspension or cancellation of such license and appointment of licensing officers and insecticides inspectors by the concerned state governments. The Insecticides Act empowers the designated insecticides inspector to, *inter alia* enter and search any premises, conduct inquiry in order to ensure compliance, require production of records, and stop the distribution, sale or use of an insecticide which he has a reason to believe is being distributed, sold or used in contravention of the provisions of the Insecticides Act. The violation of provisions of the Insecticides Act constitutes an offence under the Act, for which a person may be penalised or imprisoned, or both. The Insecticides Rules, 1971 (“**Insecticides Rules**”) formulated by the central government under the Insecticides Act sets out the terms and duration of the licenses granted and the safety measures to be taken for workers involved in manufacture, distribution or application of pesticides. An appeal mechanism is provided for under the Insecticides Rules, against the decision of the licensing officer.

The Legal Metrology Act, 2009 and the Legal Metrology (General) Rules, 2011

The Legal Metrology Act, 2009 (“**Legal Metrology Act**”) came into force on March 1, 2011. It replaced the Standard Weights and Measures Act, 1976. The Legal Metrology Act provides that the units of weights and measures must be in accordance with the metric system based on international system of units, and prohibits quotations made otherwise. The Legal Metrology (General) Rules, 2011, which came into force on April 1, 2011, also provide the detailed specifications of standard weights and measures and the standard equipments. The Legal Metrology Act regulates the trade and commerce in weights and measures, and provides for the appointment of a director, controller, and other legal metrology officers, for enforcement of the prescribed standards, and empowers them to undertake inspection or seizure to ensure compliance with its provisions. The Legal Metrology Act provides for imposition of penalty on use of non-standard, or unverified weights and measures, and for making any transaction, deal or contract in contravention of the standards of weights and measures. The Legal Metrology Act allows companies to nominate a person who will be held responsible for the breach of provisions of this legislation.

The Warehousing Corporations Act, 1962

The Warehousing Corporations Act, 1962 (“**Warehousing Corporations Act**”) establishes the Central Warehousing Corporation, (“**CWC**”) which is required under the Act to acquire and run warehouses, act as an agent of the government for the purposes of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities; arrange transport facilities and subscribe to the share capital of a State Warehousing Corporation. The enactment of the Warehousing Corporations Act repealed the Agricultural Produce (Development & Warehousing) Corporations Act, 1956. The CWC oversees the functioning and management of the state warehousing corporations, as established by the respective state governments, with the approval of the CWC. The detailed procedure for regulation of warehousing business in each state is provided under the respective state legislations.

Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The Central Government enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (“**BOCWA**”) as a comprehensive central legislation with an aim to regulate the employment and conditions of service of construction workers and to provide for their safety and financial health among other welfare measures.

The Building and Other Construction Workers Welfare Board is responsible for providing for *inter alia* identity cards, temporary living accommodation, fixing hours for normal working days, weekly paid rest days, wages for overtime, provision of basic welfare amenities like drinking water, first-aid, provision for temporary living accommodation to all building workers within or near for work site, making adequate provisions for safety and health measures for construction workers. To further the purpose of the Act, the Building and other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 have been notified by the Central Government.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

The Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“**LARR Act**”) seeks to provide fair compensation, thorough resettlement and rehabilitation of those affected; adequate safeguards for their well-being and complete transparency while facilitating land acquisition for industrialization, infrastructure and urbanization projects.

The government may acquire land for its own use, for public sector undertakings or for a public purpose. In addition, the government may also acquire land for public-private partnership projects or for private companies, provided the acquisition is for a public purpose.

The compensation payable to the affected families is up to four times of the market value of lands acquired in rural areas, and twice the market value of lands acquired in urban areas. Provision has also been given for additional compensation if an affected family is displaced twice.

Reserve Bank of India Act, 1934

The RBI regulates and supervises activities of NBFCs by the power vested in it under Chapter IIIB of the Reserve Bank of India Act, 1934 (“**RBI Act**”) The RBI Act defines an NBFC under Section 45-I (f) as: “(i) a financial institution which is a company; (ii) a non-banking institution which is a company and which has, as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (iii) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.” Section 45-I(c) of the RBI Act defines a “financial institution” as a non-banking institution carrying on as its business or as part of its business, among other activities, the financing, whether by making loans or advances or otherwise, of any activity, other than its own. Further, Section 45-I(e) of the RBI Act defines a non-banking institution as a company, corporation or cooperative society.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI**”) empowers banks/financial institutions to recover their non-performing assets without intervention of the court. SARFAESI Act provides for three methods by which non-performing assets may be recovered: (a) securitisation, (b) asset reconstruction and (c) enforcement of security without the intervention of the court. The Central Government has prescribed Security Interest (Enforcement) Rules, 2002 pursuant to the powers conferred on it under the SARFAESI Act.

If the borrower fails to comply with a repayment demand notice issued to the borrower, the lending institution may take recourse to one or more of the following measures:

- i. take possession of the security;
- ii. sale or lease or assign the right over the security; or
- iii. ask any debtors of the borrower to pay any sum due to the borrower.

If there are more than one secured creditors, the decision to make provisions of the SARFAESI Act will be made applicable only when 75% of them are agreeable.

Labour Laws

Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“**PWA**”) has been enacted to regulate payment of wages to certain classes of employed persons. The PWA makes every employer responsible for the payment of wages to person employed by him. No deductions can be made from the wages nor can any fine be levied on wages earned by a person employed except as provided under the PWA.

The PWA has been enacted with the intention of ensuring timely payment of wages to workers and for payment of wages without unauthorised deductions. A worker, who either has not been paid wages in time or an unauthorised deductions have been made from his/her wages, can file a claim either directly or through a trade union or through an inspector under the PWA, before the authority appointed under the PWA

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“**MWA**”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. The MWA mandates every employer to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Basic requirement of food, clothing and housing required by an average Indian adult is used by the Central and State Governments to stipulate the minimum wages.

Workmen’s Compensation Act, 1923

The Workmen’s Compensation Act, 1923 (“**WCA**”) has been enacted with the objective to provide for the payment by certain classes of employers to their workmen or their dependants compensation for industrial accidents and 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. A commissioner appointed under the WCA may direct the employer to pay a compensation amount along with interest or a penalty may be imposed on him in case of failure to pay compensation within one month from the date it falls due.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“**PGA**”) has been enacted with the objective to regulate the payment of gratuity, to an employee who has rendered a long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service

for not less than five years on (a) his/her superannuation; (b) his/her retirement or resignation. Gratuity is also payable on employee's death or disablement due to accident or disease, but the minimum requirement of five years does not apply. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. The EPFA currently applies to factories employing 20 or more employees. It requires all such establishments to be registered with the relevant State Provident Fund Commissioner. The EPFA empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. Both employers and employees are required to make contributions as prescribed by the EPFA. Monthly returns are to be submitted to the relevant State Provident Fund Commissioner in addition to the maintenance of registers by employers.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESI Act") has been enacted to provide for certain benefits to employees in case of sickness, maternity and employment related injury. Under the ESI Act, all establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation. The ESI Act requires all employees of the factories and establishments to which it applies to be insured in the manner provided. Further, both employers and employees are required to make contribution to the ESI fund, of which returns are required to be filed with the ESI department. In addition, the employer is also required maintain prescribed records and registers.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 was introduced to regulate the employment of pregnant women and to ensure payment during leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women. The Maternity Benefit Act was amended in 2008 to provide the pregnant woman medical bonus of rupees three thousand five hundred, if no pre-natal confinement and postnatal care is provided for by the employer free of charge.

The Contract Labour (Regulation and Abolition) Act, 1979

The Contract Labour (Regulation and Abolition Act), 1979 ("CLRA") was enacted to regulate the employment and protect the interests of labourers who were hired on a daily basis in certain establishments and to provide for its abolition in certain cases. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed in the preceding 12 months and to every contractor who employs or employed any day during the last 12 months, more than 20 workmen. The principal employer is required to register the establishment in the prescribed manner under the CLRA. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued.

Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976 (the "ERA") provides for the payment of equal remuneration to men and women and for the prevention of discrimination against women in the matter of employment. The ERA provides that no employer shall discriminate between men and women while making recruitments for the same or work of a similar nature or in any condition of service (such as promotions, training, transfers, etc.) and in addition directs employers to pay equal wages to men and women for similar work.

Under the ERA, the government is empowered to appoint an officer for the purpose of hearing and deciding claims and complaints that may arise under the ERA. Further, inspectors may be appointed by the government to carry out investigations to ensure compliance with the provisions of the ERA. Lastly, penalties may be imposed for failure to comply with the provisions of the ERA.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 (“**ID Act**”) provides the procedure for investigation and settlement of industrial disputes. It also provides safeguards for workmen and aims to improve service conditions of industrial labour. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen. The ID Act also deals with when strikes and lock-outs are prohibited and the conditions subject to which a strike or lock-out may be declared. It also lays down the procedure and conditions precedent for lay-offs and retrenchments and the nature of compensation that must be given.

Further, the ID Act prohibits unfair labour practices, which include, inter alia, interfering with the right to organize, form or participate in a trade union or to engage in collective bargaining and establishing employer-sponsored trade unions.

Inter-State Migrant Workmen (regulation of Employment and Conditions of Service) Act, 1978

The Inter-State Migrant Workmen (regulation of Employment and Conditions of Service) Act, 1978 (“**Migrant Workmen Act**”) was enacted to regulate the employment of inter-state migrant workers and to provide for their conditions of service. The Migrant Workmen Act is applicable to an establishment which employs five or more inter-state migrant workers through an intermediary (who has recruited workmen from one State for employment in an establishment situated in another State).

The responsibility of the enforcement of this law at establishments where the Central Government is the appropriate government lies with the office of the Chief Labour Commissioner (Central) and by state governments, where specified.

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Abolition) Act, 1986 (the “**Child Labour Act**”) was enacted with the intention to prohibit the engagement of children below the age of fourteen years in factories, mines and hazardous employments and to regulate their conditions of work in certain other employments. This Act 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. The Central Industrial Relation Machinery which is within the Ministry of Labour is responsible for enforcing this Act.

Environmental Regulations

The Environment (Protection) Act, 1986

The Environment Protection Act, 1986 (“**EPA**”) is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, *inter alia*, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties are also provided for in the EPA for its violation.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (“**Water Pollution Act**”) aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Pollution Control Board include, *inter alia*, coordination of activities of the State Pollution Control Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for, *inter alia*, the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer, or bring into use any new or altered outlet for discharge of sewage, or being to make any new discharge of sewage without taking prior consent of the State Pollution Control Board

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Pollution Act**”) aims to prevent, control and abate air pollution. The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area as notified by the State Government.

Fiscal Regulations

Foreign Trade (Development and Regulation) Act, 1992

Foreign Trade (Development and Regulation) Act, 1992 (“**Foreign Trade Act**”) regulates the exports and imports in India, and empowers the government to appoint a Directorate General of Foreign Trade for the purpose of administering the foreign trade, and issuing the Import-Exporter Code to every exporter and/or importer. The Foreign Trade (Regulation) Rules, 1993 (“**Foreign Trade Rules**”) formulated under the Foreign Trade Act, puts forth the conditions for grant of a license to export and import by the Directorate General of Foreign Trade, or any other duly authorised officer. The Foreign Trade Rules provide the licensing authority with the power to refuse, suspend or cancel the license in accordance with the Foreign Trade Act, after a reasonable opportunity to be heard has been provided to the concerned party.

The Export (Quality Control and Inspection) Act, 1963

The Export (Quality Control and Inspection) Act, 1963 (“**Export Act**”) was enacted to provide for the sound development of the export trade of India through quality control and inspection and for matters connected therewith. The Central Government is empowered to establish, a council called the Export Inspection Council, to advise it on matters regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export and to formulate programmes in connection therewith, to make, with the concurrence of the Central Government, grants-in-aid to various agencies involved in foreign trade.

Laws Relating to Intellectual Property

In India, trademarks and copyrights enjoy protection under both statutory and under common law. The two key legislations governing intellectual property in India and which are applicable to the Company are the Copyright Act, 1957 and the Trade Marks Act, 1999. India is also a party to several international agreements for the protection of intellectual property rights.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (“**Trade Marks Act**”) grants exclusive rights to marks such as a brand, label and heading and prevents the use of fraudulent marks in India. It provides for registration of marks which will be valid

for a period of 10 years, and can be renewed in accordance by the Registrar of Trade Marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others and provides for penalties for infringement, falsifying and falsely applying for trademarks.

Indian Copyrights Act, 1957

The Copyright Act, 1957 provides for registration of copyrights, transfer of ownership and licensing of copyrights, and infringement of copyrights and remedies available in that respect. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner. Copyright registration is preferred so to expedite infringement proceedings. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

STATE LAWS

Warehousing Acts in various states

Various state warehousing legislations as applicable in the states in which the warehouses are located govern warehousing operations. These acts put forth the terms and conditions for obtaining a licence to carry on the business of warehousing in various states. These acts prescribe the duties of a warehouseman, which include, *inter alia*, provision of reasonable facilities for weighing, sampling and grading of goods, issuance of warehouse receipts; and also provide the framework for inspection of the warehouses in respect of which licenses are granted, to ensure compliance. These acts provide that the contracts and agreements inconsistent with the act are void in nature.

- Maharashtra State Warehousing Corporation Bombay Warehouses Act, 1959 and Bombay Warehouses Rules, 1960
- Gujarat State Warehousing Corporation Gujarat Warehouses Act, 2006
- Madhya Pradesh Agricultural Warehouse Act, 1947

Shops and Establishments Acts in various states

Our Company is governed by the various Shops and Establishments Acts as applicable in the states where it has its warehouses. These acts generally provide that a “shop” means any premises where goods are sold, either by retail or wholesale or where services are rendered to customers, and includes a godown, warehouse, in connection with such trade or business. The requirement of registration of every shop or commercial establishment is prescribed under the relevant state legislation, as per the procedure there under. The provisions relating to appointment of inspectors is also provided for in this regard. These laws regulate the conditions of work and employment in shops and commercial establishments, which include *inter alia*, the opening and closing hours, the working hours, and holidays for the employees, and also the wages for overtime work, and wages during leave period. The requirements for health and safety measures to be undertaken by an establishment are also provided for therein.

- Bombay Shops and Establishments Act, 1948
- Bombay Shops and Establishments (Gujarat Extension and Amendment) Act, 1961 and Gujarat Shops and Establishments Rules, 1962
- Madhya Pradesh Shops and Establishments Act, 1958
- Rajasthan Shops and Commercial Establishments Act, 1958

Agricultural Produce Marketing (Regulation) Acts in various states

Our Company is governed by the various Agricultural Produce Marketing (Regulation) Acts, as applicable in the states whose market areas it operates in. These laws put forth the conditions for the grant and renewal of licenses for the purchase and sale of the agricultural produce. The requirement for a license is generally applicable to those operating in the market as a trader, commission agent, broker, processor, weigh man, measurer, surveyor, warehouseman or in any other capacity in relation to the marketing of agricultural produce. The Acts generally prohibit or restrict the traders

from making or recovering trade allowances in the market, and accordingly prescribe punishment in case of contravention.

- Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963
- Gujarat Agricultural Produce Markets Act, 1963
- Madhya Pradesh Krishi Upaj Mandi Adhiniyam, 1972
- Rajasthan Agriculture Produce Market Act, 1961

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated on January 19, 2007 under the Companies Act, 1956 as “Shree Shubham Logistics Private Limited”. It was converted into a public limited company under the Companies Act, 1956 and consequently, the name of our Company was changed to “Shree Shubham Logistics Limited” and a fresh certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, was issued on April 20, 2007.

Our main objects

The main objects of our Company, as contained in Clause III.A of our Memorandum of Association are:

1. To carry on the business of transportation and handling of all kinds of cargo, whether containerized or not, from any port station or warehouse or cold storage or any other place to any container freight station or to any inland container depot or any warehouse or any cold storage or any other place and/or vice versa and freight carriers, transportation of goods, animals from place to place either by land or by air, sea or partly by sea and partly by land or air, whether by means of motor vehicles and/or aeroplanes or other means of transport, to establish and to construct and operate container freight stations, inland container depots and to carry on the business of clearing & shipping agent, hirers, fleet owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines.
2. To establish, construct, build, equip, acquire, own, hire, lease, install, operate, develop, promote, manage, run, maintain, administer and repair and to carry on the business as keepers of warehouses, cold storages, strong chambers, ice plants, godowns, refrigerators, freezing, house and room coolers, for storing and processing of all kinds of commodities, products, sea products, marine products, processed products, poultry products, food products, dairy products, fruits, roots, vegetables, pharmaceutical products, gems and jewellery, energy items, electronic items, spices, articles, things and items and all other substances and preparation of all kinds and description whatsoever and to buy, sell and deal in and to engage in and carry on the business of warehousing of all above products commodities, foods, vegetables, goods, articles, things and items and to provide storage and protection against insects, ants, rats moistures, rain, fire and other natural or man-made calamities.
3. To finance, re-finance, buy, sell, export, import, deal in all kinds of agricultural, agrobased, vegetable and other types of commodities including but not limited to grains, cereals, pulses, fruits, flowers, clover, cardamom, saffron, cumin seeds, pepper, ginger, cotton, coffee, coco, tobacco bidi leaves, rubber, indigo, sugarcane, oil seeds and agro chemicals and to process, reprocess, maintain prepare and manufacture further all such agricultural, vegetable and agrobased products and commodities for sale, storage manufacture and to act as commission agent in all kinds of agricultural and other products.
4. To act as service provider and offer such services to any person(s)/ instituted by any banks, financial institutions or any other agency appointed either by central government or state government or private agency for borrowing, raising money with or without security for and on behalf of the person(s) identified / to be identified and to receive commissions, interests, reimbursement of expenses etc. for rendering such services and utilize the same for the purpose of fulfillment of the object of the company and also to act as agent and to issue warehousing receipts against pledge of stocks lying in the warehouse on behalf of the banks, financial institutions or any other agencies for which company is acting as service provider.

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

Amendments to our Memorandum of Association

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

Date of shareholders' resolution	Nature of amendment
March 19, 2007	Memorandum of Association altered to change name of our Company from Shree Shubham Logistics Private Limited to Shree Shubham Logistics Limited
April 21, 2007	<p>Transfer of ancillary clauses number 2, modifying clause 49 of ancillary clause and transferring both the clauses to the main objects and insertion of the following additional object to the Memorandum of Association under "Main Objects":</p> <p><i>"2. To establish, construct, build, equip, acquire, own, hire, lease, install, operate, develop, promote, manage, run, maintain, administer and repair and to carry on the business as keepers of warehouses, cold storages, strong chambers, ice plants, godowns, refrigerators, freezing, house and room coolers, for storing and processing of all kinds of commodities, products, sea products, marine products, processed products, poultry products, food products, dairy products, fruits, roots, vegetables, pharmaceutical products, gems and jewellery, energy items, electronic items, spices, articles, things and items and all other substances and preparation of all kinds and description whatsoever and to buy, sell and deal in and to engage in and carry on the business of warehousing of all above products commodities, foods, vegetables, goods, articles, things and items and to provide storage and protection against insects, ants, rats moistures, rain, fire and other natural or man-made calamities."</i></p> <p><i>"3. To finance, re-finance, buy, sell, export, import, deal in all kinds of agricultural, agrobased, vegetable and other types of commodities including but not limited to grains, cereals, pulses, fruits, flowers, clover, cardamom, saffron, cumin seeds, pepper, ginger cotton, coffee, coco, tobacco bidi leaves, rubber, indigo, sugarcane, oil seeds and agro chemicals and to process, reprocess, maintain prepare and manufacture further all such agricultural, vegetable and agrobased products and commodities for sale, storage manufacture and to act as commission agent in all kinds of agricultural and other products."</i></p> <p><i>"4. To act as Service Provider and offer such services to any person(s)/ instituted by any Banks, Financial Institutions or any other agency appointed either by Central Government or State Government or Private agency for borrowing, raising money with or without security for and on behalf of the person(s) identified / to be identified and to receive commissions, interests, reimbursement of expenses etc. for rendering such services and utilize the same for the purpose of fulfillment of the object of the company and also to act as Agent and to issue warehousing receipts against pledge of stocks lying in the warehouse on behalf of the banks, financial institutions or any other agencies for which company is acting as Service Provider."</i></p> <p><i>"5. To grow and cultivate all cereals containing starch and tubers and such other starch products and to carry on the business as planters in all branches to carry on and work, the business of cultivators, buyers and sellers of cotton, silk, jute, hemp or other fibrous substances, synthetic and non-synthetic, man-made fibres, gin, kapas, and to carry on business of cultivation of every kind of corn vegetable or other agricultural products and generally work as agriculturist, planters, and prepare, sell dispose off and deal in any such products either in its prepared or raw state and either wholesale or retail."</i></p>
October 13, 2007	The authorised share capital of ₹ 120,000,000 divided into 12,000,000 Equity Shares was reclassified and increased to ₹ 155,000,000 divided into 12,000,000 Equity Shares and 3,500,000 Preference Shares.
February 7, 2008	The authorised share capital of ₹ 155,000,000 divided into 12,000,000 Equity Shares and 3,500,000 Preference Shares was increased to ₹ 260,000,000 divided into 16,000,000 Equity Shares and 10,000,000 Preference Shares.
August 21, 2008	The authorised share capital of ₹ 260,000,000 divided into 16,000,000 Equity Shares and 10,000,000 Preference Shares was increased to ₹ 370,000,000 divided into 21,000,000 Equity Shares and 16,000,000 Preference Shares.
November 3, 2009	<p>Insertion of the following additional objects to the Memorandum of Association under "Objects Incidental or Ancillary":</p> <p><i>"51A. To employ or engage staff to carry out the objects and to acquire from any person, firm or body corporate whether in India or elsewhere technical information, know-how, grants or licences."</i></p> <p>Insertion of the following additional objects to the Memorandum of Association under "Other Objects":</p> <p><i>"93. To carry on all or any business of finance brokers or insurance agents and acting as insurance brokers and agents of underwriters, consultants, assessors, valuers, surveyors, mortgage brokers and undertaking the provision of hire purchase and credit sale finance and of acting as factors and</i></p>

Date of shareholders' resolution	Nature of amendment
	<p><i>brokers in any line or activity (provided that nothing contained herein enable the Company to carry on the business of Banking as defined in the Banking Regulation Act, 1949).</i></p> <p><i>110. To provide and promote collateral management services for securing, managing and controlling securities or commodities (physical, financial and all others) including but not limited to all services relating to valuation, procuring, processing, improving, testing and certification, grading, insuring, securing, storage, distribution, transportation, clearing and forwarding, trading importing indenting disposal of securities or commodities of any nature as principal agent, distributor, collection and provision of collateral and trade information, risk management and risk mitigation services, credit support services, guarantee services, domestic and export trade assistance services and physical and electronic commerce services as are in use or may be developed in the future"</i></p> <p><i>"111.To provide advisory and consultancy services, inventory management services or otherwise deal in, operate and facilitate in any manner the entire range of collateral management and logistics services including providing legal and arbitration services, financial services – whether direct, indirect or incidental, liaison services, training and advisory services and accreditation services to enter in to strategic business and other collaboration , to seek trade partners for collateral buying selling, dealing in and negotiate price and trade modalities of collateral management"</i></p> <p><i>"112.To carry on the business of risk management and risk mitigation service relating to commodities including but not limited to inspection and monitoring services, trading services, hedging services, clearing and settlement services all or any of these as a principal, broker or agent, agency services like tax agency and sale / purchase agency services and any other services directly or indirectly relating to commodities as a principal broker or agent for any person , natural or juridical as stakeholder in commodity markets including government, central, state, municipal, local bodies, other authorities, tenders, commodity exchange, other public or private limited companies, firms, trading and clearing members and other commodity sector players"</i></p> <p><i>"113.To carry on the business of collection and analysis of data and related services its classification and storage dissemination of information or online monitoring of information including the provision of database services through all kinds of communication network."</i></p> <p><i>"114. To act as a depository in respect of commodities whether in India or abroad."</i></p> <p><i>"115. To develop, upgrade, buy, sell, trade in or otherwise deal in software related to any of the collateral management services or other related services."</i></p>
November 25, 2010	The authorised share capital of ₹ 370,000,000 divided into 21,000,000 Equity Shares and 16,000,000 Preference Shares was increased to ₹ 460,000,000 divided into 30,000,000 Equity Shares and 16,000,000 Preference Shares.
February 18, 2012	The authorised share capital of ₹ 460,000,000 divided into 30,000,000 Equity Shares and 16,000,000 Preference Shares was increased to ₹ 760,000,000 divided into 60,000,000 Equity Shares and 16,000,000 Preference Shares.
May 15, 2013	The Memorandum of Association altered to remove agriculture and retail business from the objects of our Company.
January 10, 2015	The authorised share capital of ₹ 760,000,000 divided into 60,000,000 Equity Shares and 16,000,000 Preference Shares was increased to ₹ 1,000,000,000 divided into 84,000,000 Equity Shares and 16,000,000 Preference Shares.

For further details, please see the section titled "Capital Structure" on page 91.

Total number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has seven Equity Share holders. For further details on the shareholding pattern and capital structure of our Company, please see section titled "Capital Structure" on page 91.

Changes in Registered Office of our Company

There has been no change in the Registered Office of our Company since incorporation.

Awards and accreditations

Calendar year	Awards and accreditations
2014	“Award for Brand Excellence in (Supply Chain and Logistics Sector)” by Asian Confederation of Businesses
2014	“Certificate of Excellence (India SME Excellence Award) in recognition of exemplary achievement in service sector” by Small and Medium Business Development Chamber of India
2014	“Most promising brand of the year (agri-warehousing and ancillary activities), logistics infrastructure sector (India)” by World Brand Review Corporation. This certificate is valid till November, 2015.
2014	“India SME Excellence Award 2014 – Service Sector” from Small & Medium Business Development Chamber of India
2014	“Food Tech Implementation Award – Best Exporter of the Year 2014” from ASSOCHAM, India
2014	“Excellency in Warehousing – Best Warehousing Company” by the Commodity Participants Association of India
2014	“CII SCALE Awards – Exemplary Position under Agri-Warehousing category” from CII
2014	“Certificate of Excellence in Recognition of its Significant Contribution to the Indian E-Commerce Technology Sector as Leading Logistics, Warehousing & Distribution Services Provider in Western India” by the Brands Academy. This certificate is valid till August, 2015.
2013	ISO/IEC 17025:2005 certificate of accreditation in the discipline of “Chemical Testing” for Basni facility, from the National Accreditation Board for Testing and Calibration Laboratories, Department of Science & Technology, Government of India. This certification is valid till September 6, 2015.
2011	ISO 22000:2005 food safety system certificate in “Processing and Packing of Whole Spices” by Det Norske Veritas Certification B.V., The Netherlands. This certificate is valid till October 8, 2017.
2010	ISO 9001:2008 management system certificate in “Trading in Retail and Export Market” by Det Norske Veritas Certification B.V., The Netherlands. This certificate is valid till June 17, 2016.
2010	ISO 9001:2008 management system certificate in “Testing of Agricultural Produce” by Det Norske Veritas Certification B.V., The Netherlands. This certificate is valid till June 17, 2016.
2010	ISO 9001:2008 management system certificate in “Storage and Warehousing (Dry/Cold) of Agriculture Produce”, “Trading in Retail and Export Market”, “Collateral Management and Commodity Funding of Agricultural Produce” and “Testing of Agricultural Produce” by Det Norske Veritas Certification B.V., The Netherlands. This certificate is valid till June 17, 2016.

Major events and milestones

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

Calendar year	Details
2007	Incorporation of our Company
	Subscription of Equity Shares by KPTL
2008	Set up first ALP at Unjha, Gujarat
2009	Accreditation with NCDEX as warehouse service provider and assayer
2010	Entered into MoU with RSWC for management of warehouses at 38 locations
	Set up primary processing plant at Salawas, Jodhpur
2011	WDRA accreditation obtained for warehouses
2012	Implemented SAP system at warehouses
	Accorded status of Star Export House*
2013	Investment by Tano India Private Equity Fund II
2014	Acquisition of PHTCPL

* Issued in the calendar year 2013

Strike and lock-outs

We have not experienced any strike, lock-out or instance of labour unrest in the past.

Time/cost overrun

As of September 30, 2014, we have incurred time and cost overrun in relation to certain of our projects. Details of time and/or cost overrun are as:

(amount in ₹ millions)

S. No.	Location	Project	Projected Date of Completion as per relevant subsidy scheme	Actual Date of Completion of project	Budgeted Cost as per project report	Actual Cost Incurred
1.	Rajkot	Shree Shubham Logistics Limited, Survey 163 Paiki, Khata/Account No.8 at Mouje, Village: Maliyasan, Taluka: Rajkot , District Rajkot, Gujarat- 360003.	March 28, 2010	July 29, 2009	77.80	87.43
2.	Unjha	Shree Shubham Logistics Limited, Survey/Block No. 1902, 1903, 1904 - Village Unava, Taluka Unjha , District: Mehsana, Gujarat- 384160.	March 28, 2010	October 15, 2008	66.00	91.18
3.	Dewas	Shree Shubham Logistics Limited, Khasra No. 142/2, 137/158A, 137/3, 137/5, 141/5, 141/2/1, 142/3, 141/2/2, 142/1, 154, AB Road Bypass, Village Anwartpura, Tehsil and District Dewas , Madhya Pradesh- 455001.	August 21, 2013	March 25, 2013	224.44	262.46
4.	Harda	Shree Shubham Logistics Limited, Khasra No.: 46/2, 46/3, 46/6, 46/7, Khandwa Harda road, Village Palasner, Tehsil & District: Harda , Madhya Pradesh- 461331.	August 21, 2013	March 25, 2013	122.67	150.37
5.	Itarsi	Shree Shubham Logistics Limited, Khasra No. 407/1, 407/2, 409, Itarsi Hosangabad Road, Village Raisalpur, Tehsil Itarsi , District Hoshangabad, Madhya Pradesh- 461111.	August 21, 2013	March 25, 2013	145.34	149.53
6.	Neemuch	Shree Shubham Logistics Limited, Khasra No.: 262, 263, 265/2, 280/3, 281/2 part, 13, 15, 16, 17, 18/2, Nayagaon Bypass, Panchayat Village Barukheda, Tehsil & District Neemuch , Madhya Pradesh- 458441.	August 21, 2013	March 25, 2013	179.69	200.41
7.	Sagar	Shree Shubham Logistics Limited, Khasra No. 346/1, 346/2 and 347 Khurai Road, Gram - Jarjara, Patwari Halka No. 17, R.I. Circle No.3, Tehsil & District - Sagar , Madhya Pradesh Pin Code: 470001.	August 21, 2013	November 30, 2013	162.74	191.02
8.	Ujjain	Shree Shubham Logistics Limited, Khasra No.: 503/3/3, 503/3/1, 503/4, 503/3/2, 503/3/4, 505/1, 507, Agar Road, Village Jaithal, Tehsil Ghattiya, District Ujjain , Madhya Pradesh- 456006.	August 21, 2013	December 15, 2013	200.14	210.58
9.	Vidisha	Shree Shubham Logistics Limited, Khasra No. 474/1/1, 479/1/1, 479/2Kha, 480/2, 480/3, National Highway 86 Extension, Sagar Road, Panchayat, Village Panjh, Tehsil & District Vidisha - 464001, Madhya Pradesh.	August 21, 2013	May 07, 2013	146.82	154.69
10.	Ramganj mandi Cold	Shree Shubham Logistics Limited Khasara No-29, Khasara No. 30, (Khasara no. 30/1), Khasra No 36 and Khasra No. 37, Village Banda, Tehsil Ramgangmandi , District Kota, Rajasthan- 326519.	March 28, 2010	December 30, 2009	87.50	110.67
11.	Alwar	Shree Shubham Logistics Limited, Khasra	March 28,	July 08,	77.23	83.75

S. No.	Location	Project	Projected Date of Completion as per relevant subsidy scheme	Actual Date of Completion of project	Budgeted Cost as per project report	Actual Cost Incurred
		155 to 158, Near Ashok Leyland, M.I.A, Village Rundh Dhuninath, Tehsil Ramgarh, District Alwar - 301001.	2010	2009		
12.	Bikaner	Shree Shubham logistics Limited, Khasra No. 43, 44, 46 at Gram Bashi Sahaj Bardaran Gram Tehsil & District Bikaner , Rajasthan- 342802.	March 28, 2010	March 25, 2009	84.25	114.47
13.	Kota	Shree Shubham Logistics Limited, Khasra No. 795/3, 781, 789, 790/1, 795/1028/1, 782, 783 & 788, Kaithun Road, Gram Dhakar Khedi, Ladpura, Kota , Rajasthan- 325001.	March 28, 2010	September 28, 2009	99.40	130.51
14.	Merta	Shree Shubham Logistics Limited, Khasra No. 3/4, Village Sarang Basni Tehsil Merta , District Nagaur, Rajasthan- 341510.	March 28, 2010	August 26, 2009	67.50	107.47
15.	Salawas	Shree Shubham Logistics Limited, Khasra No. 183/1, 183/2, 183/3, 183/4, Salawas Road, Salawas, Tehsil Luni, District Jodhpur , Rajasthan - 342802.	March 28, 2010	April 30, 2009	110.35	133.38
16.	Sriganganagar	Shree Shubham Logistics Limited, Khata no.22, Kila no.3 to 8 , Kila no. 11, 12 , Kila no. 13 to 15 Chak 1-G-Chhoti, Tehsil & District Sriganganagar , Rajasthan- 335001.	March 28, 2010	April 19, 2009	109.04	123.97

**Based on the certificate from Banshi Jain & Associates, Chartered Accountants, dated February 12, 2015. Further the projected date of completion has been computed from the date of first disbursement of the loan of the concerned warehouse.*

Changes in activities of our Company

There have been no changes in the activities of our Company since its incorporation, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

There are no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity in relation to our Company. For further details, please see sections titled “*Capital Structure*” and “*Financial Statements*” on pages 91 and 237, respectively.

Capital raising (Equity/ Debt)

Our equity issuances in the past and borrowings as on December 31, 2014, have been provided in sections titled “*Capital Structure*” and “*Financial Indebtedness*” on pages 91 and 317, respectively. Further, our Company has not undertaken any public offering of debt instruments since its inception.

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

Except for the acquisition of *Punarvasu Holding and Trading Company Private Limited*, our Company has not acquired any entity or undertaken any merger, amalgamation or revaluation of assets.

Business and management

For details of our Company's corporate profile, business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company in relation to prominent competitors with reference to its services, technology, market, capacity built up, major suppliers, major customers and geographical segment, see sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" on pages 153 and 285, respectively.

For details of the management of our Company and its managerial competence, please see the section titled "*Our Management*" on page 199.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Material agreements

Trade Mark License Agreement

Trade mark license agreement dated January 23, 2015 between Kalpataru Properties Private Limited ("KPPL") and our Company ("License Agreement")

Our Company has entered into the License Agreement for grant of non-exclusive and non-transferable license to use the 'Kalpataru' trademarks by KPPL in relation to our business.

The License Agreement is valid till December 31, 2022 and the license fee payable by our Company is either a defined annual amount (ranging from ₹ 250,000 to ₹ 1,000,000 per annum) or 0.25% of the turnover of our Company, subject to a minimum guaranteed amount (ranging from ₹ 250,000 to ₹ 1,000,000 per annum). Further, KPPL is also entitled to charge such additional fees as may be incurred towards any brand building exercise as may be undertaken by KPPL. The License Agreement also contains standard representations, warranties and indemnities.

KPPL or our Company can terminate the License Agreement without cause by serving three months notice.

Share Purchase and Shareholders' Agreements

Investment agreement dated April 4, 2013 between KPTL and Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna, our Company and Tano India Private Equity Fund II ("Investment Agreement") and amendment agreement to the Investment Agreement dated February 5, 2015 ("Amendment Agreement")

Our Company entered into the Investment Agreement pursuant to which Tano India Private Equity Fund II ("**Tano**") was allotted (i) 4,680,000 Equity Shares at a price of ₹ 75 per Equity Share for a total consideration of ₹ 351 million, and (ii) 100 compulsorily convertible debentures of face value of ₹ 4,490,000 each ("**CCD**") for a total consideration of ₹ 449 million (such Equity Shares and CCDs, the "**Tano Securities**"). In terms of the Investment Agreement, the CCDs shall carry a coupon of 4.009% payable annually.

Some of the main provisions of the Investment Agreement are summarized below:

Board/shareholders meetings

Composition of the Board: Tano has the right to appoint or nominate for appointment person(s) as Director(s) in proportion to its shareholding in our Company. Further, as long as Tano holds at least half of the Tano Securities, it shall have the right to nominate at least one Director on the Board of our Company.

Quorum of the Board/shareholders' meetings: The quorum for meetings of the Board would be as per the Companies Act. Further, the quorum would not be validly constituted and no business in respect of an affirmative vote items can be transacted in a meeting of the Board unless the nominee Director of Tano is present at and throughout such meeting.

The quorum for transaction of business at a shareholders' meetings would be as per the Companies Act and would necessarily be required to include at least one authorised representative of Tano if such business relates to any affirmative vote item.

Transfer Restrictions

Transfer by Promoters: In terms of the Investment Agreement, KPTL is required to maintain a minimum shareholding of 51% of our Company.

Tag Along and Drag Along Rights

In terms of the Investment Agreement, Tano has the certain *inter se* rights including tag along and drag along rights. KPTL has a right of first refusal over any sale by Tano, of the Tano Securities. Further, Tano enjoys, subject to the conditions stated in the Investment Agreement, the right to require KPTL to sell up to a specified number of securities of the Company held by KPTL, in the manner prescribed.

IPO

In terms of the Investment Agreement and the Amendment Agreement, our Company and the Promoters are required to use their best endeavours to complete a listing of our Company between the first and sixth anniversary of the closing date, i.e., May 31, 2013 ("**IPO Period**") on a recognized stock exchange, which is acceptable to Tano and where Tano can liquidate its investment ("**Qualified IPO**"). In the event the Qualified IPO is not completed within the IPO Period, Tano shall be entitled to require our Company to list itself pursuant to an offer for sale of existing Equity Shares, where Tano shall be entitled to sell its Equity Shares to the public in an offer for sale.

Further, in the event that the Qualified IPO is not completed prior to the sixth anniversary of the closing date ("**IPO Date**"), the Promoters are required to jointly and severally endeavour to provide an exit option to Tano:

- (i) causing our Company to merge with KPTL at a fair valuation determined by an independent valuation agency such that Tano is issued shares of KPTL;
- (ii) causing our Company to buy back all the Equity Shares held by Tano at the fair market value as determined by a valuer; or
- (iii) purchasing all the Equity Shares of Tano at a price mutual agreed between Tano and the Promoters, which is not lower than the fair market value determined by the valuer.

The manner of such exit to be provided shall be at the discretion of the Promoters.

Conversion of CCDs

In the event the Company undertakes the Qualified IPO/IPO on or prior to 31st March, 2016, then the CCDs will be converted into Equity Shares in the following manner:

- (i) At any time prior to filing of the draft red herring prospectus: Conversion of 30 CCDs into 2,327,876 Equity Shares; and
- (ii) Two working days prior to filing of the red herring prospectus: Conversion of balance outstanding 70 CCDs into such number of Equity Shares as may be determined which may range between 4,906,762 Equity Shares and 6,512,811 Equity Shares.

Affirmative voting rights

During the term of the Investment Agreement, our Company is required to obtain an affirmative vote of the director nominated by Tano (if at a board or committee meeting) or an authorised representative (if at a shareholders meeting) on certain matters. Some of these matters include:

- Amendments to the Memorandum and /or Articles.
- Voluntary winding up or dissolution of our Company.
- Business restructuring, reorganisation and diversification, acquisitions, new investments, mergers, divestments, sale, transfer or amalgamation, of our Company and its assets, creation of subsidiaries, issuance or sale of equity of subsidiaries or sale of assets other than investments and sale or transfer of assets made in the ordinary course of business.
- Entering into a new line of business which is materially different from the business currently being carried on by our Company.
- Declaration of dividend to any class of shareholders.
- All decisions with respect to listing of our Company, as may be detailed in the issue agreement.
- Any alteration in the capital structure of our Company such as issuance of new equity or equity-linked securities, either as a public offering or private sale.
- Entering into material related party transactions

Termination

Pursuant to the Amendment Agreement, the Investment Agreement shall terminate upon receipt of final listing permissions from each of the Stock Exchanges for listing of the Equity Shares of our Company. However, in the event the Equity Shares of our Company are not listed on or prior to December 31, 2015 or such extended period as may be mutually agreed between the Parties in writing, then the Amendment Agreement shall terminate and the Investment Agreement shall be reinstated in its original form.

Subsidiaries and holding companies of our Company

Holding company

Except as disclosed as in the section titled “*Our Promoters and Promoter Group*” on page 216, our Company does not have any other holding companies.

Subsidiary

Our Company has one subsidiary by the name of Punarvasu Holding and Trading Company Private Limited (“**PHTCPL**”). The Board of Directors of our Company passed a resolution on January 7, 2015 for the change of name of the subsidiary to Shree Shubham Financial Services Private Limited or any other name approved by the Registrar of Companies, Mumbai, subject to prior approval from the Reserve Bank of India and other authorities.

PHTCPL was incorporated on August 25, 1993 under the Companies Act, 1956. PHTCPL is authorised under its memorandum to carry out the business of *inter alia* investment company. Pursuant to a special resolution passed by its shareholders on January 22, 2015, the objects clause of the memorandum was amended to include the business of non-banking finance company as a main object. The corresponding filing with the registrar of companies was made on February 4, 2015. PHTCPL is in the process of re-submitting the form with the registrar of companies to address certain observations raised by it. There are no accumulated profits or losses in relation to our Subsidiary that are not accounted for by our Company.

Our Company received approval from the RBI on October 21, 2014, for purchase of shares of PHTCPL. The share purchase agreement, for the purchase of 139,000 equity shares of PHTCPL by our Company from Mr. Mofatraj P Munot, Mofatraj P Munot HUF and Mr. Parag M Munot, was executed on December 31, 2014. The purchase was made at ₹ 109 per equity share for a total consideration of ₹ 15.15 million. The agreement also contained the customary representations and warranties in relation to the parties.

The authorised share capital of PHTCPL is ₹ 600,000,000 divided into 6,000,000 equity shares of face value ₹ 100 each and the paid up capital is ₹ 55,600,000 divided into 556,000 equity shares of face value ₹ 100 each.

The shareholding pattern of PHTCPL is as follows:

S. No	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	Shree Shubham Logistics Limited	555,940	99.99
2.	Aditya Bafna [*]	10	Negligible
3.	Shubhendra Kumar Bafna [*]	10	Negligible
4.	Dr. Prakash Bakshi [*]	10	Negligible
5.	Kamal Kishore Jain [*]	10	Negligible
6.	Vishesh Singhvi [*]	10	Negligible
7.	Punita Lodha [*]	10	Negligible
	Total	556,000	100.00

^{*} *Nominees of our Company*

Strategic and Financial Partnerships

Our Company has not entered into any strategic or financial partnerships.

OUR MANAGEMENT

The composition of our Board is governed by the provisions of the Companies Act and our Articles of Association. As per the provisions of our Articles of Association, the Board shall comprise not less than three and not more than fifteen Directors. Further, KPTL our Corporate Promoter has a right to nominate at least two Directors on our Board. We currently have nine Directors on our Board out of which three are executive Directors and six are non-executive Directors. Out of the six non- executive Directors, three are independent Directors.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Name, Designation, Address, Occupation, Nationality, Date of appointment, Term and DIN	Age (in years)	Other Directorships
Dr. Bibhuti Bhusan Pattanaik Designation: Chairman and non- executive independent Director Address: Flat Number 302, New Shivalik Co-operative Group Housing Society Limited, GH-4, Sector-51, Gurgaon, Haryana Occupation: Professional / Retired public sector chief executive Nationality: Indian Date of appointment: January 7, 2015 Term: For a period of five years until January 6, 2020 DIN: 00299819	60	Nil
Mr. Ramalingam Ramaseshan Designation: non-executive independent Director Address: Number 10, V th C Cross, 16 th Main, BTM Layout, Bangalore-560 076, Karnataka, India Occupation: Retired IAS Officer Nationality: Indian Date of appointment: January 7, 2015 Term: For a period of five years until January 6, 2020 DIN: 00200373	58	Agriculture Skill Council of India Rashtriya e-Market Services Private Limited
Ms. Preeti Kaushik Trivedi Designation: non-executive independent Director Address: 3-A, Nirmal Building, Gulmohar	57	Compuage Infocom Limited MEP Infrastructure Developers Limited

Name, Designation, Address, Occupation, Nationality, Date of appointment, Term and DIN	Age (in years)	Other Directorships
<p>Cross Road Number 5, Opposite Irla Masjid, JVPD Scheme, Juhu, Mumbai- 400 049, Maharashtra, India</p> <p>Occupation: Chartered Accountant</p> <p>Nationality: Indian</p> <p>Date of appointment: January 7, 2015</p> <p>Term: For a period of one year until January 6, 2016</p> <p>DIN: 00179479</p>		
<p>Mr. Manish Mohnot</p> <p>Designation: non-executive Director</p> <p>Address: C/4/11, Sunder Nagar, S.V. road, Malad (west), Mumbai- 400 064, Maharashtra, India</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Date of appointment: March 15, 2007</p> <p>Term: Non- retiring</p> <p>DIN: 01229696</p>	42	<p>Adeshwar Infrabuild Limited</p> <p>Amber Real Estate Limited</p> <p>JMC Projects (India) Limited</p> <p>Kalpataru Power Transmission Limited</p> <p>Kalpataru Power Transmission Nigeria Limited</p> <p>Kalpataru Power Transmission USA Inc</p> <p>Kalpataru Sa (Pty) Limited</p> <p>Saicharan Properties Limited</p>
<p>Mr. Hetal Madhukant Gandhi*</p> <p>Designation: non- executive Director</p> <p>Address: B/2, 1203, Vivarea Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai- 400 011, Maharashtra, India</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Date of appointment: May 31, 2013</p> <p>Term: Non-retiring</p> <p>DIN: 00106895</p>	49	<p>Bombay Swadeshi Stores Limited</p> <p>Chalet Hotels Private Limited</p> <p>Tano India Advisors Private Limited</p> <p>Safari Industries (India) Limited</p> <p>Safari Lifestyles Limited</p>
<p>Dr. Prakash Bakshi</p> <p>Designation: Managing Director</p> <p>Address: A Wing, 1801, Mahindra Eminente, S.V. Road, Goregaon (west), Mumbai- 400 062, Maharashtra, India</p>	61	Nil

Name, Designation, Address, Occupation, Nationality, Date of appointment, Term and DIN	Age (in years)	Other Directorships
Occupation: Service Nationality: Indian Date of appointment: October 1, 2014 Term: For a period until September 30, 2017** DIN: 02628945		
Mr. Kamal Kishore Jain Designation: non- executive Director Address: “Madhupark”, Plot Number 110, Near Shopping Centre, Sector- 8B, Gandhinagar- 382 008, Gujarat, India Occupation: Service Nationality: Indian Date of appointment: March 15, 2007 Term: Liable to retire by rotation DIN: 00269810	57	Adeshwar Infrabuild Limited Amber Real Estate Limited Energylink (India) Limited Gestamp Kalpataru Solar Steel Structures Private Limited Jhajjar KT Transco Private Limited Jhajjar Power Transmission Private Limited JMC Mining and Quarries Limited JMC Projects (India) Limited Kalpataru Power JLT UAE Kalpataru Power Transmission Mauritius Limited Kalpataru SA (Pty) Limited Kalpataru Satpura Transco Private Limited Punarvasu Holding and Trading Company Private Limited Saicharan Properties Limited
Mr. Aditya Bafna Designation: executive Director Address: C-55, Shastri Nagar, Jodhpur- 342 003, Rajasthan, India Occupation: Service Nationality: Indian Date of appointment: January 19, 2007 Term: Reappointed as executive Director for a period of three years with effect from January 23, 2013** DIN: 00441510	33	Shubham Fiscal Services Private Limited Shubh Mangal Developers Private Limited
Mr. Shubhendra Kumar Bafna Designation: executive Director Address: C-55, Shastri Nagar, Jodhpur- 342 003, Rajasthan, India Occupation: Service Nationality: Indian Date of appointment: January 19, 2007	31	Shubham Fiscal Services Private Limited Shubh Mangal Developers Private Limited

Name, Designation, Address, Occupation, Nationality, Date of appointment, Term and DIN	Age (in years)	Other Directorships
Term: Reappointed as executive Director for a period of three years with effect from January 23, 2013** DIN: 00464191		

* Representing Tano India Private Equity Fund II.

** Liable to retire by rotation with respect to his directorship.

Relationship between the Directors

Except Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna who are brothers, none of the Directors are related to each other.

Brief Profile of our Directors

Dr. Bibhuti Bhusan Pattanaik, aged 60 years, is the Chairman and non-executive independent Director of our Company. He holds a bachelor's degree in science (agriculture) from the Orissa University of Agriculture and Technology, Bhubhaneshwar, a master's degree in science (entomology and agricultural zoology) from the Banaras Hindu University, and a doctorate of philosophy (zoology) from the Veer Bahadur Singh Purvanchal University, Jaunpur. He has about 36 years of experience in the field of public sector management. Previously, Mr. Pattanaik was the managing director of Central Warehousing Corporation. He was associated with National Seeds Corporation Limited as its chairman and managing director, and was also a director on the board of Food Corporation of India. He is also a member of the Society of the Indian Institute of Management, Indore.

Mr. Ramalingam Ramaseshan, aged 58 years, is a non-executive independent Director of our Company. He holds a bachelor's degree in engineering from the Bhopal University, a master's degree in business administration from the Faculty of Management Studies of the Delhi University, and is a fellow member of the Institute of Cost Accountants of India. He has over 30 years of experience in public administration and corporate management. Currently, he is an advisor to the board of directors of NCDEX e-Markets Limited (formerly NCDEX Spot Exchange Limited). Previously, Mr. Ramaseshan was the managing director and chief executive officer of the National Commodity and Derivatives Exchange Limited.

Ms. Preeti Kaushik Trivedi, aged 57 years is a non-executive independent Director of our Company. She holds a bachelor's degree in commerce from the Mumbai University and is a chartered accountant. Ms. Trivedi has about 30 years of experience in accounting.

Mr. Manish Mohnot, aged 42 years, is a non-executive Director of our Company. Mr. Mohnot is a chartered accountant, and a certified SAP R/3 application consultant (accounting and controlling). He has completed an advanced management program from the Harvard Business School. He has about 20 years of experience in the finance and management consultancy. Currently, he is the executive director of KPTL. Previously, Mr. Mohnot was associated with KPMG. He has also been associated with Standard Chartered Bank as an assistant manager in the country finance division.

Mr. Hetal Madhukant Gandhi, aged 49 years, is a non- executive Director of our Company. He holds a bachelor's degree in commerce from the Bombay University and is a chartered accountant. He has about 25 years of experience in the financial services business, particularly private equity and asset financing. Previously, Mr. Gandhi was the chief executive officer of Orix Auto and Business Solutions Limited.

Dr. Prakash Bakshi, aged 61 years, is the Managing Director of our Company. He holds a master's degree in arts (economics) as well as a doctorate of philosophy in economics from the Ravishankar University, Raipur. He has wide experience in the field of agricultural banking having been chairman of National Bank for Agriculture and Rural Development from June, 2011 to September, 2013.

Mr. Kamal Kishore Jain, aged 57 years, is a non- executive Director of our Company. He holds a bachelor's degree in commerce from the Rajasthan University and is a chartered accountant. He has about 27 years of experience in the fields of finance, accounting and taxation. Currently, he is the director- finance and chief financial officer of KPTL.

Mr. Aditya Bafna, aged 33 years, is an executive Director of our Company. He holds a bachelor's degree in commerce from Jai Narain Vyas University, Jodhpur and a post graduate diploma in business management from the Rizvi Academy of Management, Mumbai. He has also undergone training in 'The US Warehouse Receipts System-Enhancing Agricultural Grain Marketing Systems' from the Texas A & M University System. He has about 8 years of experience in the fields of commodities and warehousing and allied activities. Previously, he was a director of NABARD Consultancy Private Limited, a wholly owned subsidiary company of the National Agriculture Bank for Rural Development. Mr. Bafna was also a member of the FICCI Task Force on Storage and Logistics- 2013 and the FICCI Agricultural Committee-2014. He participated in the programme on public private partnerships in rural infrastructure conducted by the Indian Institute of Management, Ahmedabad.

Mr. Shubhendra Kumar Bafna, aged 31 years, is an executive Director of our Company. He currently does not possess any formal educational qualification. However, he has about 8 years of experience in the field of procurement, processing and trading of agricultural commodities.

Details of directorship in companies suspended or delisted from any stock exchange

None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of this Draft Red Herring Prospectus and until date, whose shares have been or were suspended from being traded on the BSE or NSE. Further, except as stated below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange(s).

Mr. Manish Mohnot and Mr. Kamal Jain are directors of JMC Projects (India) Limited which was delisted from the Ahmedabad Stock Exchange and the Delhi Stock Exchange. The relevant details in this regard are as follows:

- Currently listed on: BSE, NSE
- Delisted from: Ahmedabad Stock Exchange, Delhi Stock Exchange
- Date of delisting: March 31, 2005 and December 10, 2003
- Nature of delisting: Voluntary
- Reasons for delisting: Lack of trading
- Whether relisted: No
- Term of Directors in the company: Mr. Manish Mohnot has been a director of JMC Projects since May 29, 2009. Mr. Kamal Jain has been a director of JMC Projects since February 5, 2005.

Mr. Manish Mohnot is also a director of Kalpataru Power Transmission Limited which was delisted from the Ahmedabad Stock Exchange and the Jaipur Stock Exchange. The relevant details in this regard are as follows:

- Currently listed on: BSE, NSE
- Delisted from: Ahmedabad Stock Exchange, Jaipur Stock Exchange
- Date of delisting: February 18, 2005 and December 20, 2004
- Nature of delisting: Voluntary
- Reasons for delisting: Lack of trading
- Whether relisted: No
- Term of Directors in the company: Mr. Manish Mohnot has been a director of Kalpataru Power Transmission Limited since November 1, 2006.

Terms of appointment of our Directors

Except as provided in our Articles of Association, service contracts entered into with our Directors, as applicable, and otherwise disclosed in this section, there are no other terms of appointment of our Directors.

Remuneration of our Directors

Executive Directors

Pursuant to a shareholders' resolution dated January 10, 2015 and a service contract dated October 1, 2014, Dr. Prakash Bakshi is entitled to a basic salary of ₹ 450,000 per month, allowances of ₹ 300,000 per month, and other perquisites including a chauffeur-driven car and telephone in his residence for use for the Company's business (personal outstation calls being charged to his personal account). Further, our Company has also agreed to pay a performance-based variable pay that can range from 50% to 150% of the base variable pay of ₹ 3,000,000. The actual variable payout will be decided based on the parameters (including the performance of our Company, business and Director) set out periodically by our Board or Nomination and Remuneration Committee subject to the ceiling stipulated in the Companies Act. Since Dr. Bakshi was appointed in October 2014 he was not paid any remuneration for Fiscal 2014.

Pursuant to a shareholders' resolution dated September 15, 2014 and a service contract dated May 12, 2014, Mr. Aditya Bafna is entitled to a salary of ₹ 400,200 per month, allowances up to ₹ 266,800 per month, and other perquisites including a chauffeur-driven car and telephone in his residence for use for the Company's business (personal outstation calls being charged to his personal account). Further, he is also entitled to a profit-linked incentive/ commission of up to 2.5% of the Company's profit after tax (including all business/ non-business income) subject to the overall ceiling stipulated in the Companies Act. In Fiscal 2014, Mr. Aditya Bafna was paid a total remuneration of ₹ 9.52 million.

Pursuant to a shareholders' resolution dated September 15, 2014 and a service contract dated May 12, 2014, Mr. Shubhendra Kumar Bafna is entitled to a salary ₹ 300,000 per month, allowances up to ₹ 200,000 per month, and other perquisites including a chauffeur-driven car and telephone in his residence for use for the Company's business (personal outstation calls being charged to his personal account). Further, he is also entitled to a profit-linked incentive/ commission of up to 2.5% of the Company's profit after tax (including all business/ non-business income) subject to the overall ceiling stipulated in the Companies Act. In Fiscal 2014, Mr. Shubhendra Kumar Bafna was paid a total remuneration of ₹ 8.50 million.

Non-executive Directors

Our non-executive independent Directors are entitled to sitting fee of ₹ 50,000 for attending each meeting of the Board and ₹ 25,000 for attending each meeting of the Audit Committee and the Nomination and Remuneration Committee. Our non-executive Directors do not receive any other remuneration, other than reimbursement of out of pocket expenses.

No remuneration was paid to our non-executive Directors for Fiscal 2014.

Remuneration paid or payable from Subsidiary and associate company

No remuneration is paid or payable to any of our Directors from our Subsidiary. Our Company does not have any associate company in terms of the Companies Act, 2013.

Benefits upon termination

There are no service contracts entered into with any of the Directors for provision of any other benefits or payments upon termination of employment.

Shareholding of Directors

Pursuant to our Articles of Association, our Directors are not required to hold any qualification shares. For details of shareholding of our Directors in our Company, please see the section titled "*Capital Structure*" on page 91.

Apart from Dr. Prakash Bakshi, Mr. Kamal Jain, Mr. Aditya Bafna, Mr. Shubhendra Kumar Bafna, who hold 10 equity shares each in our Subsidiary as nominee shareholders of our Company, none of our Directors hold any equity shares in our Subsidiary. Our Company has no associate company in terms of the Companies Act, 2013.

Appointment of relatives of Directors to any office or place of profit

Except Mr. Aditya Bafna who is the brother of Mr. Shubhendra Kumar Bafna, none of the relatives of our Directors have been appointed to a place or office of profit in our Company.

Borrowing powers of our Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of the business of our Company and the Board may arrange and fix the terms and conditions of all such monies to be borrowed as to security, repayment, interest or otherwise as it thinks fit. Pursuant to a special resolution of our shareholders dated September 15, 2014, the Board is authorized to borrow up to an amount ₹ 7,000 million over and above the paid up capital and free reserves of our Company.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company is in compliance with the corporate governance code as prescribed under Clause 49 of the Listing Agreements and the Companies Act with respect to composition of board of directors and constitution of committees thereof.

Currently, our Board has nine Directors and the chairman of our Board is a non-executive Director, and in compliance with the requirements of Clause 49 of the Listing Agreement and the Companies Act, our Company has three executive Directors and six non-executive Directors on our Board, of whom three are independent Directors.

Committees of our Board

The details of the committees required to be constituted by our Company under the Listing Agreement are as below:

Audit Committee

The audit committee was constituted by a resolution of our Board passed on May 14, 2007 and was last reconstituted on January 7, 2015. The scope and function of the audit committee and its terms of reference include the following:

1. 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.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency

- monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors of any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review the functioning of the Whistle Blower mechanism.
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 20. Carrying out any other function, task and actions as may be necessary from time to time, as per requirement of Listing Agreement, Companies Act 2013, Rules made thereunder, as may be amended or re-enacted from time to time, and as may be assigned by the Board of Directors.

The audit committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee) submitted by the management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

The composition of our audit committee is as follows:

1. Dr. Bibhuti Bhusan Pattanaik, chairman
2. Mr. Ramalingam Ramaseshan
3. Ms. Preeti Kaushik Trivedi
4. Mr. Hetal Madhukant Gandhi
5. Mr. Manish Mohnot

Nomination and Remuneration Committee

The remuneration committee, constituted on February 23, 2008, was renamed as the nomination and remuneration committee and reconstituted by a resolution passed on January 7, 2015. The scope and function of the nomination and remuneration committee and its terms of reference include the following:

1. Recommend to the Board a remuneration policy relating to Directors, key managerial personnel and other employees.
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director.

3. Devising a policy on Board diversity.
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Nomination and Remuneration Committee shall while formulating policy ensure that,
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - c) Remuneration to directors, key managerial personnel and senior management involve balance between fixed and incentive pay reflecting short and long- term performance objective appropriate to the working of the Company and its goals.
6. To carry out evaluation of every director's performance.
7. Other functions as may be necessary from time to time under the Companies Act.
8. Functions as may be assigned to Committee by the Board from time to time.

The composition of our nomination and remuneration committee is as follows:

1. Mr. Ramalingam Ramaseshan, chairman
2. Dr. Bibhuti Bhusan Pattanaik
3. Mr. Manish Mohnot

Corporate Social Responsibility Committee

The CSR Committee was constituted by a resolution of our Board passed on January 7, 2015. The scope and function of the CSR Committee and its terms of reference is in accordance with Section 135, Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable provisions and rules, if any.

The composition of our CSR Committee is as follows:

1. Mr. Kamal Jain, chairman
2. Mr. Ramalingam Ramaseshan
3. Dr. Prakash Bakshi
4. Mr. Shubhendra Kumar Bafna

Risk Management Committee

Risk Management Committee was constituted by a resolution of our Board passed on January 7, 2015. The scope and function of the risk management committee and its terms of reference include the following:

1. Ensuring that the system of risk measurement and mitigation management are robust and defensible.
2. Adoption of a suitable risk management policy with the approval of the Board of Directors:
 - a. Which enables the employees across the organization to take effective steps in managing various risks while carrying out various functions
 - b. Which enables putting in place appropriate monitoring, review and reporting processes
3. Monitoring and managing the controllable business, operational and regulatory risks within the parameters of the policy approved by the Board
4. Approving additional risk limits in view of business requirements and suggest revision in policy in tune with business requirements, changing business and regulatory environment.
5. Risk Management Committee should meet at least on quarterly basis primarily to discuss the risk associated with business planning, projections and actual resources and cash flow.
6. Ensuring regulatory requirements and compliances
7. Inviting any advisor, consultant to attend its meeting including external and internal auditors.
8. Risk Management Committee should not involve in day to day matters.
9. Reporting to the Board of Directors and the minutes of the meeting of the Risk Management Committee shall be circulated and approved by the Board on a regular basis.

The composition of our Risk Management Committee is as follows:

1. Mr. Kamal Kishore Jain, chairman
2. Mr. Manish Mohnot
3. Dr. Prakash Bakshi
4. Mr. Aditya Bafna
5. Mr. Shubhendra Kumar Bafna
6. Mr. Vishesh Singhvi

Apart from the committees required to be constituted under the Listing Agreement the details of the other committees of our Board are as follows:

IPO Committee

The IPO committee was constituted by a resolution of our Board passed on January 7, 2015. The scope and function of the IPO committee and its terms of reference include the following:

1. Deciding on the actual size of the IPO (including any reservation for eligible employees or any other reservations as may be permitted), timing, pricing, conversion and all the terms and conditions of the issue of the Equity Shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
2. At its discretion, inviting the existing shareholders of the Company to participate in the IPO, to offer for sale Equity Shares held by them at the same price as in the Initial Public Offer;
3. Appointing and entering into arrangements with the BRLMs, underwriters, syndicate members, brokers, advisors, escrow collection bankers, registrars, refunds banks, public issue accounts banks, legal counsel and any other agencies or persons or intermediaries and to negotiate and finalise the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalisation and execution of the issue agreement with the BRLMs and the registrar's memorandum of understanding;
4. Finalising, settling, executing and delivering or arranging the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar, legal advisors, auditors, stock exchanges, BRLMs and any other agencies/intermediaries in connection with IPO, with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
5. Finalising, settling, approving and adopting the DRHP, the RHP, the prospectus, and the preliminary and final international wrap for the IPO and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI or any other relevant governmental and statutory authorities;
6. Making applications or seeking clarifications, if necessary, to/from FIPB, RBI, SEBI or to any other statutory or governmental authority in connection with the IPO, and wherever necessary, incorporating such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the prospectus;
7. Opening and operating bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the IPO and authorising one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
8. Approving a suitable policy on insider trading as required under applicable laws, regulations and guidelines or any other policy which may be required under the Act, and the Listing Agreement to be entered into with the stock exchanges;
9. Seeking, if required, the consent of the Company's lenders, if any, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the Initial Public Offer, if any;
10. Approving any corporate governance requirement that may be considered necessary by the Board or the committee or as may be required under applicable laws, regulations or guidelines in connection with the IPO;
11. Opening and operating bank accounts in terms of Section 40(3) of the Companies Act, 2013 and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

12. Determining and finalising the floor price and price band for the IPO, approving the basis for allocation and confirming allocation of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the IPO;
13. Issuing receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Indian stock exchange(s), with power to authorise one or more officers of the company to sign all or any of the aforesaid documents;
14. Making applications for listing of the shares in one or more Indian stock exchange(s) for listing of the Equity Shares of the Company and executing and delivering or arranging the delivery of necessary documentation to the concerned stock exchange(s);
15. Doing all such deeds and acts as may be required to dematerialize the Equity Shares of the Company and signing and/or modifying, as the case may be, agreements and/or such other documents as may be required with NSDL, CDSL, Registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
16. Authorizing and approving the incurring of expenditure, including the payment of fees, commissions, remuneration and expenses in connection with the IPO;
17. Doing all such acts, deeds, matters and things and executing all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotting the shares to the successful allottees as permissible in law, issuing of share certificates in accordance with the relevant rules;
18. Settling all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
19. Taking such action, giving such directions, as may be necessary or desirable as regards the IPO and doing all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;
20. Executing and delivering any and all other documents or instruments and doing or causing to be done any and all acts or things as it may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by committee shall be conclusive evidence of the authority of the committee in so doing; and
21. Delegating any of the above powers of the committee to any of the directors of the Company, and to the following persons, namely Mr. Vishesh Singhvi, Chief Financial Officer and Mr. Krishna Kumar Mishra, Company Secretary of the Company.

The composition of our IPO committee is as follows:

1. Mr. Kamal Kishore Jain, chairman
2. Mr. Manish Mohnot
3. Dr. Prakash Bakshi
4. Mr. Aditya Bafna

Stakeholders' Relationship Committee

The stakeholders' relationship committee was constituted by a resolution of our Board passed on January 7, 2015. The scope and function of the Stakeholders' Relationship committee and its terms of reference include the following:

1. Redressal of grievances of shareholders, debenture holders and other security holders.
2. Consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
3. Other functions as may be necessary from time to time under the Companies Act, 2013 and Listing Agreement with the Stock Exchanges.

4. Functions as may be assigned to the Committee by the Board from time to time.
5. To issue share certificate to the existing shareholders of the Company in accordance with the applicable Act, rules and regulations under the signature of any two Director and an authorized officer of the Company as may be authorized by the Committee.

The composition of our stakeholders' relationship committee is as follows:

1. Mr. Kamal Kishore Jain, chairman
2. Mr. Bibhuti Bhusan Pattanaik
3. Mr. Aditya Bafna

Interest of Directors

Our Directors may be deemed to be interested to the extent of reimbursement of expenses and sitting fees, if any, payable to them for attending meetings of the Board and committees, and to the extent of remuneration and entitlements, if any, paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in Equity Shares or Preference Shares, if any, held by them or their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts, in which they are interested as promoters, directors, members, partners, proprietors or trustees. All our Directors may also be deemed to be interested to the extent of any dividend payable to them or their relatives and other distributions in respect of the said Equity Shares or Preference Shares, held by them, if any.

Our Directors may also be regarded as interested to the extent of stock options granted to them under the ESOP Scheme, if any. For details of the stock options granted to our Directors under the ESOP Scheme, please see the section titled "*Capital Structure*" at page 91.

Except as disclosed in the section titled "*Financial Statements- Annexure 20*" at pages 282, no sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of the Company.

Interest in the promotion of our Company

Except for the persons mentioned below, none of our Directors are interested in the promotion of our Company:

- Mr. Aditya Bafna
- Mr. Shubhendra Kumar Bafna
- Mr. Manish Mohnot in his capacity as a director of KPTL, our Promoter
- Mr. Kamal Kishore Jain in his capacity as director- finance and chief financial officer of KPTL, our Promoter

Interest in the property of our Company

Except as disclosed in the section titled "*Financial Statements- Annexure 20*" at page 282, our Directors do not have any interest in any property acquired by our Company in the two years prior to the filing of this Draft Red Herring Prospectus or proposed to be acquired.

Interest in transactions involving acquisition of land, construction of building or supply of machinery

Except as disclosed in the section titled "*Financial Statements- Annexure 20*" at page 282, our Directors are not interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

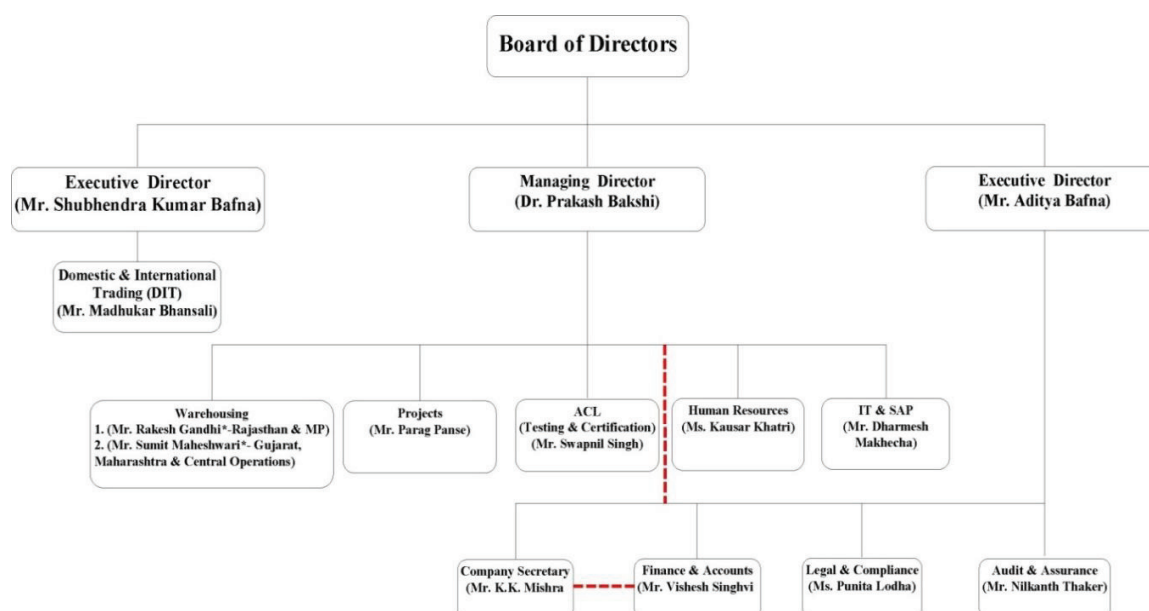
Interest in the business of our Company

Except as stated in the section titled “Financial Statements- Annexure 20” at page 282, our Directors do not have any other interest in the business of our Company.

Changes in the Board of Directors in the last three years

Name	Date of Appointment/ Cessation	Reason
Dr. Bibhuti Bhusan Pattanaik	January 7, 2015	Appointment
Mr. Ramalingam Ramaseshan	January 7, 2015	Appointment
Ms. Preeti Kaushik Trivedi	January 7, 2015	Appointment
Mr. Ravindra Jain	January 1, 2015	Resignation
Dr. Prakash Bakshi	October 1, 2014	Appointment
Mr. Abinash Verma	July 26, 2013	Resignation
Mr. Hetal Gandhi	May 31, 2013	Appointment
Mr. Abinash Verma	July 17, 2012	Appointment

Management Organization Structure



Our Key Management Personnel

The following table sets forth the details of our Key Management Personnel:

S. No	Name of the Key Management Personnel	Designation
1.	Mr. Dharmesh Makhecha	Assistant General Manager- Information Technology
2.	Ms. Kausar Khatri	Deputy General Manager-Human Resources
3.	Mr. Krishna Kumar Mishra	Company Secretary & Compliance Officer
4.	Mr. Madhukar Bhansali	Senior Manager- Domestic and International Trading
5.	Mr. Nilkanth Thaker	Deputy General Manager- Audit and Assurance
6.	Mr. Parag Panse	Deputy General Manager- Projects
7.	Ms. Punita Lodha	General Manager- Legal and Compliance
8.	Mr. Rakesh Gandhi	Vice-President- Warehousing
9.	Mr. Sumit Maheshwari	Deputy General Manager- Warehousing and Operations
10.	Mr. Swapnil Singh	Senior Manager- Analysis and Certification Laboratory
11.	Mr. Vishesh Singhvi	Chief financial officer

Further among our Key Management Personnel, Mr. Vishesh Singhvi and Mr. Krishna Kumar Mishra are also 'key managerial personnel' within the meaning of Section 2(51) of the Companies Act. All our Key Management Personnel are permanent employees of our Company.

Brief Profile of our Key Managerial Personnel

The brief profiles of our other Key Management Personnel are as follows:

Mr. Dharmesh Makhecha, aged 42 years, is our Assistant General Manager- Information Technology. He has completed the "A" level examination business professional programmer from the DOEACC Society. He has over 12 years of experience in the information technology sector. Prior to joining our Company, he was involved in iGlobe Consulting as a team lead. Previously, he was associated with Prakash Software Solutions Private Limited, n-Xperts Solutions, and Gujarat Infosys. Mr. Makhecha has been associated with our Company since October 10, 2011. As our assistant general manager- information technology department, he is responsible for evaluating and implementing a suitable software for warehouse management or resource planning, procuring the required hardware and software, ensuring connectivity at our Corporate Office, Registered Office, and warehouses. He was paid a remuneration of ₹ 1,158,896 in Fiscal 2014.

Ms. Kausar Khatri, aged 43 years, is our Deputy General Manager- Human Resources. She holds bachelor's and master's degrees in law from Mumbai University and has completed a diploma programme in human resources development from the All India Institute of Management Studies. She has about 11 years of experience in the human resources field. Prior to joining our Company, she was the senior manager- human resources and administration of Man Industries (India) Limited. She was also associated with Mangal Keshav Securities Limited, and Phoenix Mills Limited. Ms. Khatri has been associated with our Company since April 1, 2014. As our deputy general manager- human resources, Ms. Khatri is responsible for, *inter-alia*, handling the day to day human resources operations, developing and implementing a human resources strategy, and supporting, and coordinating recruitment throughout our Company. Since she joined our Company on April 1, 2014, she was not paid any remuneration in Fiscal 2014.

Mr. Krishna Kumar Mishra, aged 38 years is our Company Secretary and Compliance Officer. He holds a bachelor's degree in commerce from Gujarat University and is a chartered accountant and company secretary. He has about 6 years of experience in company secretarial practice. Prior to joining our Company he was associated with KPTEL. Mr. Mishra has been associated with our Company since January 1, 2015. As our Company Secretary, he is responsible for carrying out compliance and secretarial work for our Company. Since he joined our Company on January 1, 2015, he was not paid any remuneration for Fiscal 2014.

Mr. Madhukar Bhansali, aged 30 years, is our Senior Manager- Domestic and International Trading. He holds bachelor's and master's degrees in commerce from Jai Narain Vyas University, Jodhpur and is a chartered accountant. Prior to joining our Company, he was a senior associate at GlobeOp Financial Services (India) Private Limited. Mr. Bhansali has been associated with our Company since October 6, 2009. As our senior manager- domestic and international Trading, Mr. Bhansali is responsible for organising and structuring the trading and exports department of our Company, research and analysis of market scenarios, financial analysis and proposing new business insights. He was paid a remuneration of ₹ 791,538 in Fiscal 2014.

Mr. Nilkanth Thaker, aged 54 years is our Deputy General Manager- Audit and Assurance. He holds a bachelor's degree in commerce from Gujarat University and is a chartered accountant. He has about 18 years of experience in audit. Prior to joining our Company he was associated with West Coast Paper Mills Limited and Gujarat Ambuja Cements Limited as its head- internal audit. Mr. Thaker has been associated with our Company since May 4, 2013. As our Deputy General Manager- Audit and Assurance, he is responsible for carrying out the internal audit function in our Company. He was paid a remuneration of ₹ 1,245,104 in Fiscal 2014.

Mr. Parag Panse, aged 46 years, is our Deputy General Manager-Projects. He holds a bachelor's degree in civil engineering from Shivaji University, Kolhapur and a graduate diploma in construction project management from National Institute of Construction Management and Research, Pune and is a certified chartered engineer. He has about 26 years of experience in civil engineering. Prior to joining our Company, he was associated with Lenzing Modi Fibers India Private Limited as its senior manager- civil. Previously, he was also associated with Pidilite Industries Limited, Ashoka Buildwell and Developer Private Limited, and Housing Cell (Nasik) Private Limited.

Mr. Panse has been associated with our Company since May 23, 2014. As the deputy general manager- projects, Mr. Panse is responsible for timely finalisation and execution of contracts in accordance with legal requirements, conducting vendor negotiations, ensuring cost reduction while designing projects, and carrying out risk analysis and drawing up a risk mitigation plan. Since he joined our Company on May 23, 2014, he was not paid any remuneration in Fiscal 2014.

Ms. Punita Lodha, aged 33 years, is our General Manager- Legal and Compliance. She holds bachelor's degrees in commerce and law from Jai Narain Vyas University, Jodhpur. She has about 10 years of experience in the legal sector. Prior to joining our Company, she was a practising advocate. Ms. Lodha has been associated with our Company since June 29, 2010. As the general manager- legal and compliance, Ms. Lodha is responsible for reviewing and drafting contracts and legal notices, representing our Company in its legal matters. She was paid a remuneration of ₹ 2,633,795 in Fiscal 2014.

Mr. Rakesh Gandhi, aged 51 years, is our Vice President- Warehousing. He holds a bachelor's degree in commerce from Rajasthan University, Jaipur. Prior to joining our Company, he was self-employed. Mr. Gandhi has been associated with our Company since November 27, 2009. As the vice president- warehousing, Mr. Gandhi is responsible for monitoring and achieving revenue targets in relation to our warehousing and collateral management businesses, management of warehouses, facilitating internal and external audits and ensuring immediate compliance with ISO norms and audit reports at all our warehouses at Rajasthan and Madhya Pradesh. He was paid a remuneration of ₹ 3,295,704 in Fiscal 2014.

Mr. Sumit Maheshwari, aged 34 years, is our Deputy General Manager, Warehousing and Operations. He holds a bachelor's degree in commerce from Jai Narain Vyas University, Jodhpur and a post graduate diploma in business management from Rizvi Academy of Management, Mumbai. Mr. Maheshwari has also completed a diploma in advanced computing from the Centre for Development of Advanced Computing. Prior to joining our Company, he was associated with Cholamandalam MS General Insurance Company Limited. Mr. Maheshwari has been associated with our Company since March 17, 2011. As the deputy general manager- warehousing, Mr. Maheshwari is responsible, *inter-alia*, for achieving the revenue targets set in respect of our warehousing and collateral management businesses, ensuring compliance with quality control audits, and management of our warehouses at Gujarat and Maharashtra. He was paid a remuneration of ₹ 1,866,920 in Fiscal 2014.

Mr. Swapnil Singh, aged 34 years, is our Senior Manager- Analysis and Certification Laboratory. He holds a bachelor's and master's degrees in chemistry from Veer Kunwar Singh University, Ara, Bihar, and a master's degree in business administration from the National Institute of Business Management, Chennai. Previously, he was associated with Reliance Fresh Limited and Swastik Cement Products Private Limited. Mr. Singh has been associated with our Company since March 20, 2009. As our senior manager- analysis and certification laboratory, Mr. Singh is responsible for implementing standard operating procedures for laboratories, monitoring inspections, sampling and testing, and ensuring compliance with guidelines of ISO and other certifying bodies. He was paid a remuneration of ₹ 890,176 in Fiscal 2014.

Mr. Vishesh Singhvi, aged 35 years, is our Chief Financial Officer. He holds a bachelor's degree in commerce from Jai Narain Vyas University, Jodhpur and is also a chartered accountant and company secretary. Mr. Singhvi has an experience of 12 years in accountancy and finance. Prior to joining our Company, he was associated with Vaibhav Gems Limited as its manager- corporate finance. Mr. Singhvi has been associated with our Company since February 18, 2008. As the Chief Financial Officer of our Company, Mr. Singhvi is responsible for preparation of the books of accounts of our Company, coordinating internal and statutory audits, and monitoring projects for aspects like accounting, costing and internal reporting. He was paid a remuneration of ₹ 2,644,337 in Fiscal 2014.

Relationships among Key Management Personnel

None of our Key Management Personnel are related to each other.

Service Contracts

Except for appointment letters, our Key Management Personnel have not entered into any other contractual arrangements with our Company.

Shareholding of Key Managerial Personnel

Except for the stock options held by our Key Management Personnel and as disclosed in the section titled “*Capital Structure*” on page 91, none of our Key Management Personnel hold any Equity Shares or Preference Shares.

Apart from Mr. Vishesh Singhvi and Ms. Punita Lodha, who hold 10 equity shares each in our Subsidiary as nominee shareholders of our Company, none of our Key Management Personnel hold any equity shares in our Subsidiary.

Bonus or profit sharing plan of the Key Management Personnel

None of our Key Management Personnel are party to any bonus or profit sharing plan of our Company, other than any entitlement under variable pay component in their respective appointment terms.

Interests of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel may also be regarded as interested in the stock options held by them. Other than the above, none of the Key Management Personnel have been paid any consideration or benefit of any nature by our Company.

Changes in the Key Management Personnel

Changes in our Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason
Mr. Amit Bansal	Deputy General Manager- Risk Management	January 29, 2015	Transfer to our Subsidiary
Mr. Lalit Singhvi	President, Domestic and International Trading (Export)	January 15, 2015	Resignation
Mr. Krishna Kumar Mishra	Company Secretary	January 7, 2015	Appointment
Mr. Vishesh Singhvi	Chief Financial Officer	January 7, 2015	Appointment
Mr. Vishesh Singhvi	Company Secretary	January 6, 2015	Resignation
Mr. Shiv Kumar	Vice President, Warehousing	August 31, 2014	Resignation
Mr. Rajesh Kedia	Vice President, Human Resources and Administration	August 27, 2014	Resignation
Mr. Amit Bansal	Deputy General Manager- Risk Management	July 28, 2014	Appointment
Mr. Parag Panse	Deputy General Manager- Projects	May 23, 2014	Appointment
Ms. Kausar Khatri	Deputy General Manager- Human Resources	April 1, 2014	Appointment
Mr. Nilkanth Thaker	Deputy General Manager- Audit and Assurance	May 4, 2013	Appointment
Mr. Anil Maurya	Assistant Vice President, Analysis and Certification Laboratory	April 30, 2013	Resignation
Mr. Sukhbir Singh Thind	Deputy General Manager, Human Resources	July 6, 2012	Resignation

Employee Stock Option Scheme

For details of our Employee Stock Option Scheme, please see the section titled “*Capital Structure*” on page 91.

Arrangements and Understanding with Major Shareholders, Customers or Suppliers

Other than Mr. Hetal Gandhi, representative of Tano, none of our Directors and Key Management Personnel has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details in relation to our arrangement with Tano, please see the section titled “*History and Certain Corporate Matters*” on page 189.

Payment or Benefit to officers of our Company (Non- Salary Related)

No amount of benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The following are the Promoters of our Company:

1. Kalpataru Power Transmission Limited;
2. Mr. Aditya Bafna; and
3. Mr. Shubhendra Kumar Bafna.

For details of the build-up of our Promoters' shareholding in our Company, see section titled "*Capital Structure – Notes to Capital Structure*" on page 94.

1. Kalpataru Power Transmission Limited

KPTL was incorporated on April 23, 1981 as "H.T. Power Structure Private Limited" and became a public company on December 20, 1993. Its name was changed to its present name on January 4, 1994. The registered office of KPTL is currently situated at 101, Part III, GIDC Estate, Sector 28, Gandhinagar – 380 028, Gujarat, India.

KPTL is one of the leading, diversified, global EPC player and mainly engaged in the business of power transmission and distribution sector, including design and engineering, procurement, fabrication, erection, installation and construction, testing and commissioning, post commissioning operation and maintenance. KPTL is also engaged in oil & gas pipeline and railways EPC business and infrastructure development projects.

Board of Directors

The board of directors of KPTL comprises Mr. Mofatraj P. Munot, Mr. Parag Munot, Mr. Sajjanraj Mehta, Mr. Vimal Bhandari, Mr. Narayan Seshadri, Mr. Mahendra G. Punatar, Mr. Keezhapandal V. Mani, Mr. Ranjit Singh and Mr. Manish Mohnot.

Listing and shareholding

The equity shares of KPTL are currently listed on the BSE and the NSE. The shareholding pattern of KPTL as on December 31, 2014 is as follows:

Sr. no. (I)	Category of shareholder (II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹ (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(A)	Promoter and Promoter Group²							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	16	31142867	31142867	20.29	20.29	800000	2.57
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	5	59791796	59791796	38.96	38.96	25924601	43.36
(d)	Financial Institutions/Bank	0	0	0	0.00	0.00	0	0

	s							
(e)	Any Other (Specify)	0	0	0	0.00	0.00	0	0
	Sub-Total (A)(1)	21	90934663	90934663	59.25	59.25	26724601	29.39
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	1	300000	300000	0.20	0.20	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	1	300000	300000	0.20	0.20	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	22	91234663	91234663	59.45	59.45	26724601	29.29
(B)	Public shareholding³							
(1)	Institutions							
(a)	Mutual Funds/UTI	36	20542474	20542474	13.39	13.39	N.A.	N.A.
(b)	Financial Institutions/Banks	4	194073	192073	0.13	0.13	16519	8.51
(c)	Central Government/State Government(s)	-	-	-	-	-	N.A.	N.A.
(d)	Venture Capital Funds	1	5595000	5595000	3.65	3.65	N.A.	N.A.
(e)	Insurance Companies	1	6655380	6655380	4.34	4.34	N.A.	N.A.
(f)	Foreign Institutional Investors	49	14889138	14889138	9.70	9.70	N.A.	N.A.
(g)	Foreign Venture Capital Investors	-	-	-	-	-	N.A.	N.A.
(h)	Qualified Foreign Investor	-	-	-	-	-	N.A.	N.A.
(i)	Any Other (Specify)	-	-	-	-	-	N.A.	N.A.
(i1)	Foreign Financial Institution	1	1000	-	-	-	N.A.	N.A.
(i2)	Trusts	5	176433	176433	0.11	0.11	N.A.	N.A.
	Sub-Total (B)(1)	97	48053498	48050498	31.32	31.32	16519	0.03.
(2)	Non-institutions							
(a)	Bodies Corporate	498	4439018	4429518	2.89	2.89	370700	8.35
(b)	Individuals							
I	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >₹ 1 Lakh.	18931	7622450	7016515	4.97	4.97	163782	2.15

II	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of ₹ 1 Lakh	6	770054	674054	0.50	0.50	N.A.	N.A.
(c)	Qualified Foreign Investor	-	-	-	-	-	N.A.	N.A.
(d)	Any Other (Specify)	-	-	-	-	-	N.A.	N.A.
(d i)	Non Resident Indians (Repat)	351	450997	444997	0.29	0.29	1065	0.24
(d ii)	Non Resident Indians (Non Repat)	112	466413	466413	0.30	0.30	N.A.	N.A.
(d iii)	Clearing Members	263	423477	423477	0.28	0.28	84916	20.05
	Sub-Total (B)(2)	20161	14172409	13454974	9.23	9.23	620463	4.38
	Total Public Shareholding (B)= (B)(1)+(B)(2)	20258	62225907	61505472	40.55	40.55	636982	1.02
	TOTAL (A)+(B)	20280	153460570	152740135	100.00	100.00	27361583	17.83
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	N.A.	-	N.A.	N.A.
1	Promoter and Promoter Group	-	-	-	N.A.	-	N.A.	N.A.
2	Public	-	-	-	N.A.	-	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	20280	153460570	152740135	100.00	100.00	27361583	17.83

Notes:

1. Total Foreign Shareholding is 1,61,07,548 shares (10.50%).
2. The Company has no outstanding GDR and ADR.

Public and rights issues and other changes to capital structure and control

KPTL has not made any public or rights issue in the preceding three years. There has been no change in the capital structure of KPTL in the last six months preceding the filing of this DRHP. Further, there has been no change in the control or management of KPTL in the last three years.

Promoters of KPTL

The promoters of KPTL are Mr. Mofatraj Pukharaj Munot and Mr. Parag Mofatraj Munot.

2. Mr. Aditya Bafna



Mr. Aditya Bafna, aged 33 years, is an Executive Director of our Company. His driving license number is RJ1920020078976 and his voter identification number is WFW/0630665. For further details, see section titled “*Our Management*” on page 199.

3. Mr. Shubhendra Kumar Bafna



Mr. Shubhendra Kumar Bafna, aged 31 years, is an Executive Director of our Company. His driving license number is RJ1920020081678 and his voter identification number is WFW/0630129. For further details, please see the section titled “*Our Management*” on page 199.

Other Undertakings and Confirmations

Our Company undertakes that the details of the PAN, passport number, bank account numbers, CIN and the address of the relevant registrar of companies, wherever applicable, in relation to our Promoters will be submitted to the Stock Exchanges at the time of submission of the DRHP with the Stock Exchanges.

Disassociation by the Promoters

Our Promoters have not disassociated with any companies/firms in the last three years, except the following:

- (i) KPTL transferred 51% of the equity share capital in Jhajjar Power Transmission Private Limited (“**JPTPL**”), being its entire stake in JPTPL to Varanasi Commercial Limited and Techno Power Projects Limited, pursuant to a transfer deed dated March 11, 2013. The transfer was a commercial decision taken by KPTL. Following this transfer, KPTL has no interest in JPTPL; and
- (ii) Our Company has retired from the partnership firm Kalpataru Shubham Enterprises (“**KSE**”), with effect from April 27, 2013. The retirement from the partnership firm was a commercial decision taken by our Company. Following this retirement, our Company or KPTL have no interest in KSE.

For details of the group entities which have been dissolved or become defunct in the last five years, please see the section titled “*Our Group Companies – Defunct/Dissolved Group Entities*” on page 234.

Interest of Promoters

Interest of Promoters in the promotion of our Company

Except as disclosed in the sections titled “*Financial Statements – Annexure 20*” and “*Our Management – Interest of Directors*” on pages 282 and 210 respectively, our Promoters do not have any other interest in our Company or in the promotion of our Company. For further details of the Equity Shares held by our Promoters, see the section titled “*Capital Structure – Notes to Capital Structure*” on page 94.

Interest of Promoters in immovable property and machinery acquired by our Company

Except as disclosed below, the Promoters do not have any interest in any immovable property or land and machinery acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company:

1. Mr. Shubhendra Kumar Bafna transferred certain land located at village Netra, District Jodhpur to our

Company, for a total consideration of ₹ 5.98 million through a sale deed dated September 17, 2013

2. Mr. Aditya Bafna transferred certain land located at village Netra, District Jodhpur to our Company, for a total consideration of ₹ 5.98 million through a sale deed dated September 17, 2013.
3. Gyanendra Bafna HUF, acting through its karta Mr. Gyanendra Bafna transferred certain land located at village Netra, District Jodhpur to our Company, for a total consideration of ₹ 7.29 million through a sale deed dated September 17, 2013.
4. Shubhendra Kumar Bafna HUF, acting through its karta Mr. Shubhendra Kumar Bafna transferred certain land located at village Netra, District Jodhpur to our Company, for a total consideration of ₹ 7.29 million through a sale deed dated September 17, 2013.
5. Ms. Mamta Bafna transferred certain land located at village Netra, District Jodhpur to our Company, for a total consideration of ₹ 34.65 million through a sale deed dated September 17, 2013.
6. Aditya Bafna HUF, acting through its karta Mr. Aditya Bafna transferred certain land located at village Netra, District Jodhpur to our Company, for a total consideration of ₹ 7.29 million through a sale deed dated September 16, 2013.

Interest of Promoters in our Company other than as Promoters

Except as mentioned in this section and the sections titled “Our Business”, “History and Certain Corporate Matters”, “Our Management”, “Financial Indebtedness” and “Financial Statements – Annexure 20” on pages 153, 189, 199, 317 and 282, respectively, our Promoters do not have any interest in our Company other than as promoters.

Payment of Amounts or Benefits to our Promoters during the last two years

Except as provided in the section titled “Financial Statements – Related Party Disclosures” on page 282, remuneration paid to the Individual Promoters, in their capacities as Executive Directors of our Company and payments with respect to the transactions noted in the sub-section “Interest of Promoters in property and machinery acquired by our Company” above, there has been no payment of benefits to our Promoters during the last two years prior to the date of filing of this Draft Red Herring Prospectus.

For further details regarding the remuneration payable to the Individual Promoters, please see the section titled “Our Management – Remuneration of our Directors” on page 203.

Promoter Group

In addition to our Promoters named above, the following entities form part of our Promoter Group.

(a) Natural Persons

The natural persons who are part of our Promoter Group (by virtue of being the immediate relatives of the Individual Promoters) are as follows:

S. No.	Name	Relation with the Individual Promoters
1.	Ms. Ridhi Bafna	Wife of Mr. Aditya Bafna
2.	Ms. Mamta Bafna	Wife of Mr. Shubhendra Kumar Bafna
3.	Mr. Gyanendra Bafna	Father of the Individual Promoters
4.	Ms. Neelu Jain	Sister of the Individual Promoters
5.	Ms. Sudha Jain	Sister of the Individual Promoters
6.	Ms. Rakshita Jain	Daughter of Mr. Aditya Bafna
7.	Mr. Jinendra Bafna	Son of Mr. Shubhendra Kumar Bafna
8.	Mr. Bhavya Bafna	Son of Mr. Shubhendra Kumar Bafna

9.	Mr. Gautam Raj Bhansali	Father of Ms. Ridhi Bafna
10.	Ms. Pushpa Bhansali	Mother of Ms. Ridhi Bafna
11.	Mr. Amit Bhansali	Brother of Ms. Ridhi Bafna
12.	Ms. Nidhi Salecha	Sister of Ms. Ridhi Bafna
13.	Mr. Nemichand Dosi	Father of Ms. Mamta Bafna
14.	Ms. Manju Devi Dosi	Mother of Ms. Mamta Bafna
15.	Mr. Arihant Dosi	Brother of Ms. Mamta Bafna
16.	Ms. Samta Vikas Lalwani	Sister of Ms. Mamta Bafna
17.	Ms. Varsha Akshay Samdaria	Sister of Ms. Mamta Bafna

(b) Corporate entities forming part of the Promoter Group

The companies that form part of our Promoter Group are as follows:

S. No.	Name
1.	JMC Projects (India) Limited
2.	Energylink (India) Limited
3.	Saicharan Properties Limited
4.	Amber Real Estate Limited
5.	Adeshwar Infrabuild Limited
6.	Kalpataru Satpura Transco Private Limited.
7.	Kalpataru Power Transmission USA INC.
8.	Kalpataru SA (Proprietary) Limited
9.	Kalpataru Power Transmission Nigeria Ltd.
10.	Kalpataru Power Transmission (Mauritius) Ltd.
11.	Kalpataru Power JLT
12.	Limited Liability Company Kalpataru Power Transmission Ukraine
13.	Gestamp Kalpataru Solar Steel Structure Private Limited
14.	Jhajjar KT Transco Private Limited
15.	Kalpataru Construction Private Limited
16.	K. C. Holdings Private Limited
17.	Shubham Fiscal Services Private Limited
18.	Shubh Mangal Developers Private Limited
19.	Jodhana Builders Private Limited

(c) Trusts, Partnership firms, Proprietorships and HUFs forming part of the Promoter Group

The trusts, partnership firms, proprietorships and HUFs forming part of our Promoter Group are:

S. No.	Name
1.	Aditya Bafna HUF
2.	Shubhendra Kumar Bafna HUF
3.	Bafna and Company, Chartered Accountants
4.	Gyanendra Bafna HUF
5.	M/s. Mansi Traders
6.	Sanchal Developers
7.	Pujya Kripa Gyan Sumitra Bafna Foundation
8.	Kalpataru Welfare Trust
9.	Shree Shubham Logistics Limited Employees Group Gratuity Fund

Payment of Amounts or Benefits to our Promoter Group during the last two years

Except payment of dividend on preference shares, interest payment on unsecured loan availed from KPTL and except as provided in the section titled “*Financial Statements – Related Party Disclosures*” on page 282, there has been no payment or benefits to our Promoter Group during the last two years prior to the date of filing of this Draft Red Herring Prospectus.

OUR GROUP ENTITIES

In addition to our Subsidiary, the following are our Group Entities:

Sl. No.	Name
1.	JMC Projects (India) Limited
2.	Energylink (India) Limited
3.	Saicharan Properties Limited
4.	Amber Real Estate Limited
5.	Adeshwar Infrabuild Limited
6.	Kalpataru Satpura Transco Private limited.
7.	Kalpataru Power Transmission USA INC.
8.	Kalpataru SA (Proprietary) Limited
9.	Kalpataru Power Transmission Nigeria Ltd.
10.	Kalpataru Power Transmission (Mauritius) Ltd.
11.	Kalpataru Power JLT
12.	Limited Liability Company Kalpataru Power Transmission Ukraine
13.	Gestamp Kalpataru Solar Steel Structure Private Limited
14.	Jhajjar KT Transco Private Limited
15.	Shubham Fiscal Services Private Limited
16.	Shubh Mangal Developers Private Limited
17.	Jodhana Builders Private Limited
18.	Kalpataru Welfare Trust
19.	Pujya Kripa Gyan Sumitra Bafna Foundation
20.	Aditya Bafna HUF
21.	Shubhendra Kumar Bafna HUF
22.	Zangas KPTL Consortium I
23.	Zangas KPTL Consortium II
24.	Zangas-KPTL Consortium (VDPL)
25.	Zangas KPTL Consortium DPPL
26.	KPTL- JMC- Yadav JV
27.	GPT- KPTL Joint Venture
28.	Shree Shubham Logistics Limited Employees Group Gratuity Fund
29.	CIMECHEL-KPTL JV
30.	Kalpataru Power Transmission Limited Employees Group Gratuity Fund

Details of the Top Five Group Entities

Our top five Group Entities based on turnover are as follows:

1. JMC Projects (India) Limited (“JMC Projects”)

Corporate information

JMC Projects was initially incorporated as Civen Construction Private Limited on June 5, 1986. Its name was changed to Joshi and Modi Construction Private Limited on December 10, 1987 and subsequently to JMC Projects (India) Private Limited on January 21, 1994. It was subsequently converted to a public limited company and a fresh certificate of incorporation consequent to change of name was given on February 4, 1994. JMC Projects has its registered office at A-104, Shapath-4, Opposite Karnavati Club, S. G. Road, Ahmedabad 380 051.

JMC Projects is authorised to engage in the business of *inter alia*, designing, development, construction, maintenance, operation and other turnkey jobs, of industrial plants and buildings, roads, rail systems, and other infrastructure facilities.

JMC Projects has four subsidiaries: (i) JMC Mining and Quarries Limited; (ii) Brij Bhoomi Expressway Private Limited; (iii) Wainganga Expressway Private Limited; and (iv) Vindhyachal Expressway Private Limited.

Interest of the Promoters

As on December 31, 2014 KPTL holds 67.19% of the equity share capital of JMC Projects.

Financial information

Set forth below is certain financial information of JMC Projects based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

	<i>(₹ in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	261.18	261.18	261.18
Reserves and surplus (excluding revaluation)	4,292.86	4,109.94	3,963.50
Sales/Turnover (including other income)	26,628.25	25,491.34	20,875.30
Profit/(Loss) after tax	229.71	183.31	519.36
Earnings per share (₹) (Basic)	8.79	7.02	19.88
Earnings per share (₹) (Diluted)	8.79	7.02	19.88
Net asset value per share (₹)	174.36	167.36	161.75

Share Price Information

The equity shares of JMC Projects are listed on the BSE and the NSE. JMC Projects undertook a voluntary delisting of its equity shares from the ASE and DSE with effect from March 31, 2005 and December 10, 2003 respectively, due to insufficient trading. The monthly high and low of the market price of the equity shares of JMC Projects on the BSE and the NSE in the preceding six months are as follows:

	BSE		NSE	
Month	High (₹)	Low (₹)	High (₹)	Low (₹)
January, 2015	203.40	165.10	204.00	165.00
December, 2014	199.00	145.00	187.80	154.55
November, 2014	184.90	140.25	183.95	141.35
October, 2014	146.95	130.00	146.05	128.50
September, 2014	171.70	132.00	172.35	131.05
August, 2014	153.00	131.50	155.00	131.00

(Source: BSE and NSE website, based on daily high and low prices)

The closing price of JMC Projects as on February 18, 2015 on BSE and NSE was ₹ 168.40 and ₹ 166.40, respectively.

There has been no change in the capital structure of JMC Projects in the six months immediately preceding the date of this Draft Red Herring Prospectus.

Previous public and rights issues

JMC Projects has not made any public or rights issue in the preceding three years.

Performance vis-à-vis objects

JMC Projects undertook a rights issue in September- October 2009. The particulars of the rights issue are set forth below.

Issue Details	Objects of the issue*	Performance
Issue of 3,628,058 equity shares of ₹ 10 each of JMC Projects to existing shareholders on rights basis.	(i) Redemption of preference shares; and (ii) Working capital margin	All objects of the rights issue were met by JMC Projects

* Excluding issue expenses

2. Limited Liability Company Kalpataru Power Transmission Ukraine (“Kalpataru Ukraine”)

Kalpataru Ukraine was incorporated on October 29, 2012 under the laws of Ukraine. Its registered office is located at 8-A, Feodara Pushyna Street, Office 502, Kiev 03115, Ukraine.

Kalpataru Ukraine is authorised to engage *inter alia* in the business of constructing overhead transmission lines.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru Ukraine.

Financial information

Set forth below is certain financial information of Kalpataru Ukraine based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

(UAH in million, except per share data)

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	0.40	0.40	N.A.
Reserves and surplus (excluding revaluation)	2.87	(0.72)	N.A.
Sales/Turnover (including other income)	264.71	34.07	N.A.
Profit/(Loss) after tax	3.59	(0.72)	N.A.
Earnings per share (UAH) (Basic) *	N.A.	N.A.	N.A.
Earnings per share (UAH) (Diluted) *	N.A.	N.A.	N.A.
Net asset value per share (UAH) *	8.19	(0.79)	N.A.

* Not disclosed in the audited financial statements prepared by Kalpatru Ukraine

3. Jhajjar KT Transco Private Limited (“JKT Transco”)

JKT Transco was incorporated on May 19, 2010. Its registered office is located at 101, Part III, G.I.D.C. Estate, Sector -28, Gandhinagar 382 028.

JKT Transco is authorised to engage in the business of *inter alia*, planning, promoting, designing, developing, constructing, operating, maintaining of transmission lines, sub-stations, load dispatch stations, communication facilities and appurtenant works; providing consultancy services in relation to power systems; executing turnkey jobs for 400kv/200kv transmission project of Haryana Vidyut Prasaran Nigam Limited in the state of Haryana on a Design, Build, Finance, Operate and Transfer (DBFOT) basis.

Interest of the Promoters

KPTL holds 49.72% of the equity share capital of JKT Transco.

Financial information

Set forth below is certain financial information of JKT based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

(₹ in million, except per share data)

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	226.57	226.57	226.57
Reserves and surplus (excluding revaluation)	619.61	942.84	1245.32
Sales/Turnover (including other income)	595.61	734.47	28.78
Profit/(Loss) after tax	(323.23)	(333.87)	(28.71)
Earnings per share (₹) (Basic)	(14.27)	(14.74)	(1.27)
Earnings per share (₹) (Diluted)	(14.27)	(14.74)	(1.27)
Net asset value per share (₹)	37.35	51.61	64.96

4. Kalpataru Power JLT (“Kalpataru JLT”)

Kalpataru JLT was incorporated on August 3, 2011 under the laws of Dubai UAE. Its registered office is located at Unit Number 2301, HDS Tower, Plot Number PH1-F2, Jumeirah Lakes Tower, Dubai, UAE.

Kalpataru JLT is authorised to engage in the business of *inter alia*, executing turnkey projects, providing project management services and general trading.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru Mauritius, which holds 100% of the equity share capital of Kalpataru JLT

Financial information

Set forth below is certain financial information of Kalpataru JLT based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

	<i>(AED in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital**	4.04	2.20	0.95
Reserves and surplus (excluding revaluation)	(0.68)	(0.95)	(0.03)
Sales/Turnover (including other income)	18.25	0.00	0.00
Profit/(Loss) after tax	0.27	(0.92)	(0.03)
Earnings per share (AED) (Basic)***	N.A.	N.A.	N.A.
Earnings per share (AED) (Diluted)***	N.A.	N.A.	N.A.
Net asset value per share (AED)*	3,356.08	1,248.65	3,066.91

* Including Shareholders' Current Account

** Not disclosed in the audited financial statements prepared by Kalpatru JLT

5. Energylink (India) Limited (“Energylink”)

Energylink was incorporated on January 16, 2001 as Energylink (India) Private Limited. It was subsequently converted into a public limited company and a fresh certificate of incorporation, consequent upon change of name was given on May 21, 2007. Its registered office is located at Plot Number 494/1, Near Lord Ayyappa Temple, Sector -1, Gandhinagar 382 007.

Energylink is authorised to engage in the business of *inter alia*, designing, manufacturing, assembling, repairing, importing, exporting, buying and dealing in electronic transmission materials; and galvanising, electroplating, and finishing of all ferrous and non-ferrous materials.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Energylink.

Financial information

Set forth below is certain financial information of Energylink based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

	<i>(₹ in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	10.00	10.00	10.00
Reserves and surplus (excluding revaluation)	(3.08)	(3.37)	(2.98)
Sales/Turnover (including other income)	169.47	154.18	140.53
Profit/(Loss) after tax	0.29	(0.40)	(0.50)
Earnings per share (₹) (Basic)	0.29	(0.40)	(0.50)

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Earnings per share (₹) (Diluted)	0.29	(0.40)	(0.50)
Net asset value per share (₹)	6.92	6.63	7.02

Group Entities under winding up or which have become a sick industrial company

None of the entities forming part of the Group Entities is a sick company under the meaning of the Sick Industrial Companies Act.

Except as stated below, none of the Group Entities are under winding up:

1. Kalpataru SA (Proprietary) Limited (“Kalpataru SA”)

Kalpataru SA was incorporated on February 29, 2008 under the laws of South Africa as Newshelf 961 (Proprietary) Ltd. Its name was changed to its present name with effect from October 16, 2008. Its registered office is located at 62, 5th Avenue, Linden, Johannesburg 2195.

Kalpataru SA is authorised to engage in the business of *inter alia*, supplying materials and equipment needed for electric power transmission lines; erecting. Kalpataru SA is not carrying on any business and has made an application dated August 12, 2014 for its dissolution.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru SA.

Financial information

Set forth below is certain financial information of Kalpataru SA based on its audited financial statements for Fiscals 2012, 2013 and 2014.

	(ZAR in million, except per share data)		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital*	1.00	1.00	1.00
Reserves and surplus (excluding revaluation)**	N.A.	N.A.	N.A.
Sales/Turnover (including other income)	0.02	0.01	0.00
Profit/(Loss) after tax	(0.02)	(0.01)	(0.03)
Earnings per share (ZAR) (Basic)**	N.A.	N.A.	N.A.
Earnings per share (ZAR) (Diluted)**	N.A.	N.A.	N.A.
Net asset value per share (ZAR)*	1.78	1.83	1.84

* Including share premium of ZAR 0.5 million

** Not disclosed in the audited financial statements of Kalpataru SA

Group Entities with negative net worth

Except as stated below, none of the Group Entities has negative net worth. The details of the Group Entities with negative net worth are as follows:

2. Amber Real Estate Limited (“Amber”)

Amber Real Estate Private Limited was incorporated on August 21, 2007. It was subsequently converted into a public company on March 31, 2008. Its registered office is located at 101, Kalpataru Synergy, Opposite Grand Hyatt, Santacruz (East), Mumbai 400 055.

Amber is authorised to engage in *inter alia*, real estate and construction businesses.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Amber.

Set forth below is certain financial information of Amber based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

	<i>(₹ in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	9.90	9.90	9.90
Reserves and surplus (excluding revaluation)	(164.37)	(3.47)	(1.07)
Sales/Turnover (including other income)	0.78	0.00	0.00
Profit/(Loss) after tax	(160.90)	(2.39)	(0.41)
Earnings per share (₹) (Basic)	(162.53)	(2.42)	(0.41)
Earnings per share (₹) (Diluted)	(162.53)	(2.42)	(0.41)
Net asset value per share (₹)	(156.03)	6.50	8.92

3. Adeshwar Infrabuild Limited (“Adeshwar”)

Adeshwar was incorporated on August 11, 2009. Its registered office is located at 101, Part-III, G.I.D.C. Estate, Sector-28 Gandhinagar - 382 028.

Adeshwar is authorised to engage in the business of *inter alia*, construction, infrastructure development, mining, and generating solar power and lignite-based power, manufacturing solar equipments, and mining of limestone.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Adeshwar.

Set forth below is certain financial information of Adeshwar based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

	<i>(₹ in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation)	(2.57)	(2.55)	(2.53)
Sales/Turnover (including other income)	Nil	Nil	Nil
Profit/(Loss) after tax	(0.02)	(0.02)	(0.13)
Earnings per share (₹) (Basic)	(0.45)	(0.50)	(2.56)
Earnings per share (₹) (Diluted)	(0.45)	(0.50)	(2.56)
Net asset value per share (₹)	(41.47)	(41.02)	(40.53)

4. GPT-KPTL Joint Venture (“GPT-KPTL JV”)

GPT-KPTL JV was formed as an association of persons pursuant to an agreement dated November 22, 2010 between GPT Infra Projects Limited and KPTL.

GPT-KPTL JV is formed for the purposes of implementing the contract for complete track renewal and associated work, in the Kalukhali-Bhatiapara section, from Ministry of Communications, Railways Division, Railway Department of the People’s Republic of Bangladesh.

Interest of the Promoters

KPTL is entitled for the share in GPT-KPTL JV based on the work executed by it.

Financial Information

Set forth below is certain financial information of GPT-KPTL JV based on its audited financial statements for the Fiscals 2014, 2013 and 2012

	<i>(BDT in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital*	0.00	0.00	0.00
Reserves and surplus (excluding revaluation) **	(145.79)	59.25	61.70
Sales/Turnover (including other income)	286.33	1053.84	1440.16
Profit/(Loss) after tax	(205.05)	(2.45)	61.70
Earnings per share (BDT) (Basic) *	0.00	0.00	0.00
Earnings per share (BDT) (Diluted) *	0.00	0.00	0.00
Net asset value per share (BDT) ***	0.00	0.00	0.00

* No equity capital

** Only accumulated losses are considered

*** As there is no equity capital, there is no net asset value

5. Kalpataru Power Transmission Nigeria Ltd. (“Kalpataru Nigeria”)

Kalpataru Nigeria was incorporated on May 19, 2008 under the laws of Nigeria. Its registered office is located at 13B, Ikorodu road, Maryland, Lagos.

Kalpataru Nigeria is authorised to engage in the business of *inter alia*, laying of transmission lines. Currently it has not started operations.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru Nigeria.

Financial Information

Set forth below is certain financial information of Kalpataru Nigeria based on its audited financial statements for the Fiscals 2014, 2013 and 2012:

	<i>(Naira in million, except per share data)</i>		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Equity capital	10	10	10
Reserves and surplus (excluding revaluation)	0	0	0
Sales/Turnover (including other income)	0	0	0
Profit/(Loss) after tax	0	0	0
Earnings per share (Basic)	N.A.	N.A.	N.A.
Earnings per share (Diluted)	N.A.	N.A.	N.A.
Net asset value per share	(1.53)	(1.53)	(0.70)

Details of our other Group Entities

1. Kalpataru Power Transmission USA INC (“Kalpataru USA”)

Kalpataru USA was incorporated on September 11, 2009 under the laws of the United States of America. Its registered office is located at 7500 Rialto Blvd., Suite 250, Austin, Texas 78735.

Kalpataru USA is authorised to engage in all lawful business for which corporation may be organised under the Texas Business Organisation Code including, trading.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru USA.

2. Saicharan Properties Limited (“Saicharan”)

Saicharan Properties Private Limited was incorporated on December 29, 2006. It was subsequently converted into a public company and a fresh certificate of incorporation consequent upon change of name was given on April 29,

2009. Its registered office is located at 101, Kalpataru Synergy, Opposite Grand Hyatt, Santacruz (East), Mumbai 400 055.

Saicharan is authorised to engage in *inter alia*, real estate and construction businesses.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Energylink, which holds 100% of the equity share capital of Saicharan.

3. Kalpataru Satpura Transco Private Limited (“Kalpataru Satpura”)

Kalpataru Satpura was incorporated on May 10, 2013. Its registered office is located at Plot Number 101, Part III, G.I.D.C. Estate, Sector- 28, Gandhinagar 382 028.

Kalpataru Satpura is authorised to engage in the business of *inter alia*, planning, promoting and developing an integrated power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, and appurtenant works, consultancy services in power systems field, execution of 400 KV Satpura-Ashta DCDS Transmission Line Project of Madhya Pradesh Power Transmission Company Limited on Design, Build, Finance, Operate and Transfer (DBFOT) basis or such other terms and conditions as may be mutually agreed between concerned Government authority and the Company.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru Satpura.

4. Kalpataru Power Transmission (Mauritius) Ltd. (“Kalpataru Mauritius”)

Kalpataru Mauritius was incorporated on January 8, 2009 under the laws of Mauritius. Its registered office is located at C/O International Financial Services Limited, IFS Court, Twenty eight, Cyber City, Ebene, Mauritius.

Kalpataru Mauritius is authorised to engage in any lawful business under the laws of Mauritius and investment holding activities. Currently, it is the holding company of Kalpataru JLT.

Interest of the Promoters

KPTL holds 100% of the equity share capital of Kalpataru Mauritius.

5. Gestamp Kalpataru Solar Steel Structure Private Limited (“Gestamp”)

Gestamp was initially incorporated as Kalpataru Metfab Private Limited on March 5, 2011. Its name was changed to Gestamp Kalpataru Solar Steel Structure Private Limited on March 21, 2012. Its registered office is located at Plot Number 101, Part III, G.I.D.C. Estate, Sector- 28, Gandhinagar 382 028.

Gestamp is authorised to engage in the business of *inter alia*, manufacturing of steel structures for solar power panel.

Interest of the Promoters

KPTL holds 50% of the equity share capital of Gestamp.

6. Shubham Fiscal Services Private Limited (“Shubham Fiscal Services”)

Shubham Fiscal Services was incorporated on July 19, 1995. Its registered office is located at C-55, Shastri Nagar, Jodhpur 342 003.

Shubham Fiscal Services is authorised to engage in the business of *inter alia*, non banking financial company. However, pursuant to a letter to the RBI dated January 13, 2015, Shubham Fiscal Services has surrendered its certificate of registration as an NBFC with the RBI and has stated that it would work as a non-NBFC company.

Interest of the Promoters

Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna hold 41.13% and 46.59% of the equity share capital of Shubham Fiscal Services respectively.

7. Shubh Mangal Developers Private Limited (“Shubh Mangal”)

Shubham Mangal was incorporated on February 12, 2010. Its registered office is located at Flat No. 71, 7th Floor, Building No. 3 Wing B, Kalpataru Estate, Jogeshwari Vikhroli Link Road, Andheri East, Mumbai 400 0093.

Shubham Mangal is authorised to engage in the business of *inter alia*, real estate development, construction, structural designing, providing engineering, industrial and infrastructure services and dealing in consumer food items.

Interest of the Promoters

Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna hold 25% each of the equity share capital of Shubh Mangal respectively.

8. Jodhana Builders Private Limited (“Jodhana”)

Jodhana was incorporated on August 10, 1994. Its registered office is located at 34 “A”, Hanuman Building, 38 Perin Nariman Street, Fort, Mumbai 400 001.

Jodhana is authorised to engage in the business of *inter alia*, real estate development.

Interest of the Promoters

Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna hold 21.5% each of the equity share capital of Jodhana respectively.

9. Zangas KPTL Consortium I (“Zangas KPTL I”)

Zangas KPTL I was formed as an association of persons pursuant to a consortium agreement dated May 11, 2006 read with co-operation agreement dated September 12, 2006, each between JSC Zangas (a company incorporated under the laws of Russia) and KPTL. The PAN of Zangas KPTL I is AAAAZ0238N.

Zangas KPTL I is formed for the purposes of the Panvel-Dabhol pipeline project of GAIL (India) Limited.

Interest of the Promoters

KPTL is entitled for the revenue share based on the work executed by it.

10. Zangas KPTL Consortium II (“Zangas KPTL II”)

Zangas KPTL II was formed as an association of persons pursuant to a consortium agreement dated June 28, 2004 read with co-operation agreement dated September 11, 2006, each between JSC Zangas (a company incorporated under the laws of Russia) and KPTL. The PAN of Zangas KPTL II is AAAAZ0241M.

Zangas KPTL II is formed for the purposes of the Vjiaypur-Kota gas pipeline project of GAIL (India) Limited.

Interest of the Promoters

KPTL is entitled for the revenue share based on the work executed by it.

11. Zangas-KPTL Consortium (VDPL) (“Zangas KPTL III”)

Zangas KPTL III was formed as an association of persons pursuant to a consortium agreement dated May 8, 2008 read with co-operation agreement dated October 8, 2008, each between JSC Zangas (a company incorporated under the laws of Russia) and KPTL. The PAN of Zangas KPTL III is AAAAZ0353Q.

Zangas KPTL III is formed for the purposes of the Vijaipur-Dadri-Bawana pipeline project of GAIL (India) Limited.

Interest of the Promoters

KPTL is entitled for the revenue share based on the work executed by it.

12. Zangas KPTL Consortium DPPL (“Zangas KPTL IV”)

Zangas KPTL IV was formed as an association of persons pursuant to a consortium agreement dated October 27, 2008 read with co-operation agreement dated January 15, 2009, each between JSC Zangas (a company incorporated under the laws of Russia) and KPTL. The PAN of Zangas KPTL IV is AAAAZ0366K.

Zangas KPTL IV is formed for the purposes of the Dadri-Panipat R-LNG pipeline project of Indian Oil Corporation Limited.

Interest of the Promoters

KPTL is entitled for the revenue share based on the work executed by it.

13. KPTL-JMC-Yadav JV (“KJY JV”)

KJY JV was formed as an association of persons with PAN AABAK3080A among KPTL, JMC Projects and G.B. Yadav and Company Private Limited and entered into memorandum of understanding dated December 26, 2010 and January 27, 2011 for Eastern Railway and South Eastern Railway Projects.

KJY JV has obtained construction contracts from:

- (a) Eastern Railway for Baruipara-Chandanpur line, Dankuni-Baruipara line and Taljahri-Maharajpur line;
- (b) South Eastern Railway for Deshpran – Nandigram new rail link line project;

Interest of the Promoters

KPTL is entitled for the revenue share based on the work executed by it.

14. Kalpataru Welfare Trust (“KWT”)

KWT was established on April 28, 2006 pursuant to a trust deed between KPTL, the settler and Mr. D.B. Patel, Mr. Kamal Jain, Mr. M.A. Baraiya, the trustees. The office of KWT is located at 101, Part III, GIDC Electronic Estate, Sector 28, Gandhinagar, Gujarat - 382 028. KWT was formed to *inter-alia*, provide facilities for education, health, home, drinking water, sanitation, nutrition food, women/children/orphans/old age homes and support for natural calamities and general welfare of the society at large irrespective of caste and religion including for labour and employees of KPTL.

Interest of the Promoters

The trustees are employees of KPTL, our Corporate Promoter.

15. Puja Kripa Gyan Sumitra Bafna Foundation (“Puja Kripa”)

Puja Kripa was established on pursuant to a trust deed dated January 22, 2013 between Mr. Gyanendra Bafna, the settler and trustee, and Mr. Aditya Bafna, Mr. Shubhendra Kumar Bafna, Ms. Nilu Jain and Ms. Sudha Jain, the trustees. Puja Kripa was formed for *inter alia* charitable purposes.

Interest of the Promoters

Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna are trustees of Puja Kripa.

16. Aditya Bafna HUF

Aditya Bafna HUF was formed on November 12, 2005. The karta of Aditya Bafna HUF is Mr. Aditya Bafna. The office of the HUF is situated at C-55, Shastri Nagar, Jodhpur, 342 003, Rajasthan. The PAN of the Aditya Bafna HUF is AAHHA8593H.

Interest of the Promoters

The following are members of the Aditya Bafna HUF:

1. Mr. Aditya Bafna
2. Ms. Ridhi Bafna
3. Ms. Rakshita Jain

17. Shubhendra Kumar Bafna HUF

Shubhendra Kumar Bafna HUF was formed on May 6, 2006. The karta of Shubhendra Kumar Bafna HUF is Mr. Shubhendra Kumar Bafna. The office of the HUF is situated at C-55, Shastri Nagar, Jodhpur, 342 003, Rajasthan. The PAN of the Shubhendra Kumar Bafna HUF is AAQHS3395N.

Interest of the Promoters

The following are members of the Shubhendra Kumar Bafna HUF:

1. Mr. Shubhendra Kumar Bafna
2. Ms. Mamta Bafna
3. Mr. Jinendra Bafna
4. Mr. Bhavya Bafna

18. Shree Shubham Logistics Limited Employee Group Gratuity Fund (“SSL Gratuity Fund”)

SSL Gratuity Fund was established on September 5, 2012 pursuant to a trust deed among our Company and Mr. Shubhendra Kumar Bafna, Mr. Rakesh Gandhi, and Mr. Vishesh Singhvi, the trustees. SSL Gratuity Fund was formed for the purposes of The Payment of Gratuity Act, 1972.

Interest of the Promoters

Mr. Shubhendra Kumar Bafna is one of the trustees of SSL Gratuity Fund.

19. CIMECHEL-KPTL JV (“CKJV”)

CKJV was formed as an association of persons among Cimechel Electric Company and KPTL. It has entered into memorandum of understanding dated September 6, 2014 for Central Organisation for Railway Electrification

Project and has obtained contract of Diguvametta (Excl.) – Guntaka (Excl.) including Pendekallu – Gooty (Excl.) Section, GR. 178 of Guntakal and Guntur Divisions of South Central Railway.

CKJV has entered into another memorandum of understanding dated October 6, 2014 for Central Organization for Railway Electrification Project for Palanpur (Excl) – Ahmedabad (Excl) including Kalol – Gandhinagar – Khodiyar Section of Ahmedabad divisions of western Railway under RE Project, Jaipur which is yet to be awarded.

Interest of the Promoters

KPTL is entitled for the revenue share based on the work executed by it.

20. Kalpataru Power Transmission Limited Employees Group Gratuity Fund (“KPTL Gratuity Fund”)

Kalpataru Power Transmission Limited Employees Group Gratuity Fund (KPTL Gratuity Fund) was established on March 1, 1994 pursuant to a trust deed among KPTL and Shri M. G. Punatar, Shri Kamal Jain, Shri D. B. Patel and Shri P. V. Patel, the trustees. KPTL Gratuity Fund was formed for the purposes of providing death cum-retirement gratuity benefits to eligible employees under scheme formulated in accordance with the “Payment of Gratuity Act, 1972”.

Interest of the Promoters

Some of the trustees are employees or directors of KPTL, our Corporate Promoter.

Loss making Group Entities

Certain Group Entities have incurred a loss in the immediately preceding financial year. For details of these Group Entities and the losses made, please see the section titled “*Risk Factors- Our Company has experienced negative cash flows in prior periods and may continue to do so in the future, which could have a material adverse effect on our business, results of operations and financial condition. Further, certain of the Group Entities have incurred losses and/or experienced negative net-worth in the prior periods*” on page 47.

Nature and extent of the interest of the Group Entities in our Company

(a) In the promotion of our Company

None of the Group Entities have any interest in the promotion of our Company.

(b) In the properties acquired by our Company within the two years of the date of filing the Draft Red Herring Prospectus or proposed to be acquired by our Company

None of the Group Entities have any interest in the properties acquired by our Company within the two years of the date of filing the Draft Red Herring Prospectus or proposed to be acquired by our Company.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Entities have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

Common pursuits between the Group Entities and our Company

None of the Group Entities have any common pursuits similar to our Company or our Subsidiary. Shubham Fiscal Services is authorised to carry on the business of an NBFC. However, pursuant to a letter dated January 13, 2015, it has surrendered its certificate of registration as an NBFC to the RBI.

Related business transactions within the Group Entities and its significance on the financial performance of our Company

For details, please see the section titled “*Financial Statements- Related Party Disclosures*” on page 282.

Sale/purchase between Group Entities (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, see the section titled “*Financial Statements - Related Party Disclosure*” on page 282. Other than as discussed in the section titled “*Financial Statements - Related Party Disclosure*” on page 282, there are no sales/purchases between our Company and the Group Entities, wherein sales/purchase exceed in value aggregate of 10% of the total sales or purchases of our Company.

Business interest of Group Entities in our Company

For details, please see section titled “*Financial Statements - Related Party Disclosure*” on page 282.

Defunct/Dissolved Group Entities

Except as stated below, none of the Group Entities have been dissolved or remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Entities during the five years preceding the date of filing of this Draft Red Herring Prospectus:

Sl. No.	Name of the Entity	Status
1.	Shree Pujya Kripa Cold Storage LLP	Dissolved
2.	Kalpataru Power Transmission International B.V.	Dissolved
3.	Kalpataru Industria eComercio S.A.	Dissolved
4.	Shubham International	Dissolved
5.	Shubham Agro	Dissolved
6.	Shubham Industries	Dissolved
7.	Shubham Corporation	Dissolved
8.	Sugyan Sons	Dissolved

Kalpataru SA (Proprietary) Limited has filed an application for dissolution before the Companies and Intellectual Property Commission, Pretoria, South Africa on August 12, 2014.

Public issue or rights issue

None of the Group Entities has made any public or rights issue in the last three years preceding the date of filing of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company for Fiscal 2010, 2011, 2012, 2013 and 2014 and six months ended September 30, 2014, see Annexure 20 to our Restated Financial Statements, in the section titled “*Financial Statements*” beginning on page 237.

DIVIDEND POLICY

Our Company does not have a formal dividend policy. The declaration and payment of dividends are governed by the applicable provisions of the Companies Act, 2013 and the Articles of Association and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual and legal restrictions and other factors considered relevant by our Board.

Our Company did not declare any dividends on its Equity Shares in each of the Fiscals 2010, 2011, 2012, 2013 and 2014.

The dividends declared by our Company on Preference Shares in each of the Fiscals 2010, 2011, 2012, 2013 and 2014 as per our audited financial statements are as given below:

(In ₹ million, except per share data)

Particulars	For the Fiscals				
	2010	2011	2012	2013	2014
Face value per share (in ₹)	10.00	10.00	10.00	10.00	10.00
Dividend	Nil	Nil	Nil	6.35	6.35
Dividend per share (in ₹)	Nil	Nil	Nil	0.40	0.40
Rate of dividend (%)	Nil	Nil	Nil	4%	4%
Dividend Tax	Nil	Nil	Nil	1.08	1.08
Arrears of dividend	Nil	Nil	Nil	21.40*	Nil
Tax on arrears of dividend	Nil	Nil	Nil	3.47*	Nil

* Paid during fiscal 2013 representing arrears of dividend on Preference Shares for the fiscals 2009, 2010, 2011 and 2012.

The amount paid as dividends in the past is not necessarily indicative of the dividend policy or dividend amount, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report

To

The Board of Directors,
Shree Shubham Logistics Limited ("the Company"),
Plot no. A-1 & A-2, GIDC Electronic Estate
Sector – 25, Gandhinagar- 382004
India

Dear Sirs,

We have been requested by the Company to furnish a report on the financial information (annexed hereto) in accordance with the terms of our Engagement Letter dated 12th December, 2014 in connection with the proposed Initial Public Offering of equity shares of the Company.

Based on our examination carried out in accordance with the terms of our Engagement Letter and the applicable guidance of the Institute of Chartered Accountants of India we are to report as follows:

- 1) We have examined, as appropriate (Refer para 5 below) the Restated Summary Statements prepared by the Company in accordance with the requirements of Part I of Chapter III to the Companies Act, 2013 (the "Act") and relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related amendments thereto issued by the Securities and Exchange Board of India ('SEBI') and the terms of our engagement agreed with you, which have been approved by the Board of Directors of the Company and are attached in the following Annexures to this report:
 - (a) Annexure 1: Restated Summary Statement of Assets and Liabilities as at 30 September 2014, 31 March 2014, 2013, 2012, 2011 and 2010.
 - (b) Annexure 2: Restated Summary Statement of Profit and Loss for the period 1 April 2014 to 30 September 2014 and for each of the five years ended 31 March 2014, 2013, 2012, 2011 and 2010.
 - (c) Annexure 3: Restated Summary Statement of Cash Flows for the period 1 April 2014 to 30 September 2014 and for each of the five years ended 31 March 2014, 2013, 2012, 2011 and 2010.
- 2) Based on our examination of the financial information included in the Restated Summary Statements, as appropriate (Refer para 5 below), we are to state as follows:
 - (a) The Restated Summary Statements are based on and have been extracted by the management from the audited financial statements of the Company as at 30 September 2014 and for the period 1 April 2014 to 30 September 2014 and as at and for the years ended 31 March 2014, 2013, 2012, 2011 and 2010.
 - (b) The financial information in the Restated Summary Statements has been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 5 : Statement of Adjustment to Audited Financial Statements.
 - (c) The Restated Summary Statements have been made after incorporating (i) adjustments for each of the respective years/period (as applicable) in a manner consistent with the accounting policies

adopted for the period 1 April 2014 to 30 September 2014 and (ii) adjustments for material amounts in the respective years/period to which they relate.

- (d) There are no extra-ordinary items that need to be disclosed separately and there are no qualifications in the auditors' reports on the financial statements that require adjustments.
- 3) Based on our examination of the Restated Summary Statements read with significant accounting policies and notes attached to this report, as appropriate (Refer Para 5 below), we state that in our opinion the 'Restated Summary Statements' and 'Other Financial Information' have been prepared in accordance with Part I of Chapter III to the Act and relevant provisions of the SEBI Regulations and our Engagement Letter dated 12th December, 2014.

Restated Other Financial information

- 4) We have also examined, as appropriate (Refer para 5 below), the following Restated Other Financial Information prepared by the Company and approved by the Board of Directors of the Company, attached to this report:
- a. Restated Summary Statement of Share Capital –Annexure 6
 - b. Restated Summary Statement of Reserves and Surplus –Annexure 7
 - c. Restated Summary Statement of Secured and Unsecured Loans –Annexure 8
 - d. Restated Summary Statement of Non-Current Investments – Annexure 9
 - e. Restated Summary Statement of Trade Receivables – Annexure 10
 - f. Restated Summary Statement of Loans and Advances – Annexure 11
 - g. Restated Summary Statement of Other Assets – Annexure 12
 - h. Restated Summary Statement of Current Liabilities and Provisions - Annexure 13
 - i. Restated Summary Statement of Key Operational Income and Expenses items - Annexure 14
 - j. Restated Summary Statement of Other Income – Annexure 15
 - k. Restated Summary Statement of Dividend Paid / Proposed by the Company – Annexure 16
 - l. Restated Summary Statement of Accounting Ratios – Annexure 17
 - m. Statement of Capitalisation – Annexure 18
 - n. Restated Statement of Tax Shelters – Annexure 19
 - o. Restated Summary Statement of Significant Transactions with Related Parties - Annexures 20
- 5) (a) The financial statements as at and for the years ended 31 March 2013, 2012, 2011 and 2010 have been audited and reported upon by the Company's previous auditors, M/s Kishan M Mehta & Co. and in relation to which we have not carried out any audit tests or review procedures and reliance has been placed by us on the numbers and disclosures made in the audited financial statements.

- (b) The restated financial information and other financial information as at and for the years ended 31 March 2013, 2012, 2011 and 2010 have been examined and reported upon by M/s Kishan M Mehta & Co. and we have placed reliance solely on the work performed by them.
- 6) We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no opinion thereon. We have not audited any financial statements of the Company as of any date or for any period subsequent to 30 September 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 30 September 2014.
- 7) This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 8) Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our prior consent in writing.

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 117365W

Gaurav J Shah
Partner
M No. 35701
Place: Ahmedabad
Date: 7th January, 2015

SHREE SHUBHAM LOGISTICS LIMITED

ANNEXURE 1 - RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
(Rs. In Million)						
EQUITY AND LIABILITIES						
I) Shareholders' Funds						
(a) Share Capital						
(i) Equity share capital	468.00	468.00	421.20	421.20	270.00	200.00
(ii) Preference share Capital	158.80	158.80	158.80	158.80	150.00	140.00
Total	626.80	626.80	580.00	580.00	420.00	340.00
(b) Reserves and Surplus						
(i) Securities Premium Account	280.92	280.92	-	-	-	-
(ii) Surplus/(Deficit) in statement of Profit and Loss	399.32	352.49	123.36	(23.22)	(37.00)	(44.38)
Total	680.24	633.41	123.36	(23.22)	(37.00)	(44.38)
II) Non-Current Liabilities						
(a) Long Term Borrowings	3,293.63	3,045.37	2,579.22	1,803.34	1,251.29	1,226.94
(b) Deferred Tax Liabilities (Net)	158.11	129.64	33.44	-	-	-
(c) Long Term Provisions	1.17	0.87	0.61	1.24	1.12	0.71
Total	3,452.91	3,175.88	2,613.27	1,804.58	1,252.41	1,227.65
III) Current Liabilities						
(a) Short Term Borrowings	648.61	411.49	499.21	331.64	231.25	107.18
(b) Trade Payables	216.97	358.99	620.49	89.24	70.30	17.77
(c) Other Current Liabilities	437.52	397.03	348.27	289.42	148.93	145.45
(d) Short Term Provisions	6.63	22.10	26.54	24.92	17.94	11.31
Total	1,309.73	1,189.61	1,494.51	735.22	468.42	281.71
Total (A)	6,069.68	5,625.70	4,811.14	3,096.58	2,103.83	1,804.98
ASSETS						
I) Non-current assets						
(a) Fixed assets						
(i) Tangible assets	3,212.40	2,790.41	2,483.27	1,723.30	1,402.29	1,348.39
(ii) Intangible assets	32.56	37.85	46.34	6.68	4.13	0.33
(iii) Capital work-in-progress	820.81	849.89	310.92	88.33	29.00	126.79
(iv) Intangible assets under development	-	-	-	1.42	2.28	1.43
(b) Non-current investments	-	-	3.49	3.26	2.88	-
(c) Deferred Tax Assets (Net)	-	-	-	0.69	9.75	15.57
(d) Long term Loans and Advances	256.88	186.28	119.40	107.90	33.83	49.00
(e) Other Non-current assets	65.98	59.23	27.50	30.00	20.00	-
Total	4,388.63	3,923.66	2,990.92	1,961.58	1,504.16	1,541.51

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
II) Current Assets						
(a) Inventories	705.32	835.25	879.97	467.09	298.68	98.27
(b) Trade receivables	602.40	624.74	705.07	323.76	187.27	118.88
(c) Cash and Bank Balances	75.81	28.09	17.55	244.91	32.22	15.50
(d) Short-term Loans and Advances	128.32	100.83	77.41	53.58	58.40	22.63
(e) Other Current Assets	169.20	113.13	140.22	45.66	23.10	8.19
Total	1,681.05	1,702.04	1,820.22	1,135.00	599.67	263.47
Total (B)	6,069.68	5,625.70	4,811.14	3,096.58	2,103.83	1,804.98

The above statement should be read with the Basis of accounting and preparation of financial statement and Significant Accounting Policies and notes to Restated Financial Information appearing in Annexure 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure 5.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J. Shah
Partner

(Dr. Prakash Bakshi)
Managing Director

(Aditya Gyanendra Bafna)
Executive Director

Ahmedabad: 7th January, 2015

(Vishesh Singhvi)
Chief Financial Officer
(Krishna Kumar Mishra)
Company Secretary
Mumbai : 7th January, 2015

ANNEXURE 2 - RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Million)						
Particulars	For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010
I. Revenue						
Revenue from operations	1,398.83	3,693.78	2,318.82	2,029.60	1,360.35	884.35
II. Other Income	0.39	85.98	113.32	9.93	5.60	1.93
Total Revenue	1,399.22	3,779.76	2,432.14	2,039.53	1,365.95	886.28
III. Expenses						
Purchases of Stock in trade*	638.07	2,547.40	2,140.83	1,643.66	1,185.26	834.24
Changes in Inventory of Stock in Trade*	131.54	51.77	(409.89)	(176.10)	(190.12)	(40.30)
Employee Benefits Expense	91.35	155.59	93.03	80.35	75.74	39.65
Other Expenses	258.76	358.32	204.76	253.42	114.80	29.75
Depreciation and amortization expense	43.72	58.51	34.08	27.13	21.80	9.86
Finance costs	157.10	257.28	160.22	181.25	138.65	68.38
Total Expenses	1,320.54	3,428.87	2,223.03	2,009.71	1,346.13	941.58
IV. Profit/(Loss) before Extraordinary item and tax (I+II-III)	78.68	350.89	209.11	29.82	19.82	(55.30)
V. Extraordinary item:	-	-	-	-	-	-
VI. Profit/(Loss) after Extraordinary item and before tax (IV-V)	78.68	350.89	209.11	29.82	19.82	(55.30)
VII. Tax expense:						
Current tax	16.49	73.55	41.84	5.97	1.99	-
MAT Credit Entitlement	(16.49)	(55.42)	(20.86)	(5.97)	(1.99)	-
Deferred tax [charge/(Credit)]	29.62	96.20	34.12	9.07	5.82	(17.24)
VIII. Profit/(Loss) for the Year/ Period as restated (VI-VII)	49.06	236.56	154.01	20.75	14.00	(38.06)

*Includes Primary Processed Product

The above statement should be read with the Basis of accounting and preparation of financial statement and Significant Accounting Policies and notes to Restated Financial Information appearing in Annexure 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure 5.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J. Shah
Partner

(Dr. Prakash Bakshi)
Managing Director

(Aditya Gyanendra Bafna)
Executive Director

Ahmedabad: 7th January, 2015

(Vishesh Singhvi)
Chief Financial Officer

(Krishna Kumar Mishra)
Company Secretary
Mumbai : 7th January, 2015

ANNEXURE 3 - RESTATED SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the Six Month ended 30th September 2014	(Rs. In Million)				
		For the Year ended 31st March 2014	For the Year ended 31st March 2013	For the Year ended 31st March 2012	For the Year ended 31st March 2011	For the Year ended 31st March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES:						
Net profit/(loss) before tax (as restated)	78.68	350.89	209.11	29.82	19.82	(55.30)
Adjustments for : Depreciation	43.72	58.51	34.08	27.13	21.80	9.86
Finance Cost	157.10	257.28	160.22	181.25	138.65	68.38
Profit on sales of Fixed assets	-	(80.13)	(102.71)	(2.54)	-	-
Interest Received	(0.39)	(1.72)	(1.75)	(4.98)	(4.63)	(1.91)
Unrealized Exchange (Gain) / Loss	2.31	(5.21)	(0.40)	1.09	0.07	0.11
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	281.42	579.62	298.55	231.77	175.71	21.14
Adjustment for:						
Trade and other Receivables	(33.67)	25.25	(418.80)	(137.84)	(83.36)	(56.77)
Loans and Advances	(27.49)	(25.47)	(23.44)	4.47	(35.33)	(18.66)
Inventories	129.94	44.72	(412.88)	(168.40)	(200.41)	(40.65)
Trade Payables	(151.00)	(205.34)	489.35	125.20	61.82	9.30
CASH GENERATED FROM - (USED IN) OPERATIONS	199.20	418.78	(67.22)	55.20	(81.57)	(85.64)
Income Tax paid	(60.00)	(78.42)	(15.84)	(18.77)	(7.75)	(3.09)
NET CASH FLOW FROM - (USED IN) OPERATING ACTIVITIES	139.20	340.36	(83.06)	36.43	(89.32)	(88.73)
B. CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of fixed assets (Net of Subsidy)	(410.18)	(864.04)	(842.05)	(453.21)	(182.26)	(379.68)
Sale of Fixed Assets	-	160.34	51.71	28.36	228.88	-
(Increase)/Decrease in Bank balances not to be considered as Cash and Cash Equivalents	(46.35)	(0.93)	(0.07)	1.64	(0.43)	(0.65)
Sale of Investments	-	3.49	-	-	-	-
Purchase of Investments	-	-	(0.22)	(0.38)	(2.88)	-
Interest Received	0.39	1.72	1.75	4.98	4.63	1.91
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(456.14)	(699.42)	(788.88)	(418.61)	47.94	(378.42)
C. CASH FLOW FROM FINANCING ACTIVITIES:						
Proceeds from Issue of Shares	-	351.00	-	160.00	80.00	-
Share Issue Expenses	-	(23.28)	-	-	-	-
Proceeds from issue Compulsory Convertible Debentures	-	449.00	-	-	-	-
Proceeds from Long Term Borrowings	328.85	1,223.22	49.09	637.14	-	143.79
Repayment of Long Term Borrowings	(91.68)	(138.59)	(130.62)	(131.34)	(181.78)	(0.27)
Proceeds from Loans from related party	-	380.50	1,302.40	1,031.90	697.00	632.97

Repayment of Loans from related party	-	(1,527.31)	(651.39)	(1,002.60)	(525.50)	(213.50)
Net increase / (decrease) in Short Term borrowings	237.12	(87.72)	272.95	21.16	97.92	(1.52)
Dividend including Tax on Dividend	(1.08)	(7.43)	(24.87)	-	-	-
Finance Cost [Including interest capitalized]	(154.90)	(250.73)	(173.05)	(119.75)	(109.97)	(93.20)
NET CASH FLOW FROM FINANCING ACTIVITIES	318.31	368.66	644.51	596.51	57.67	468.27
D NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	1.37	9.60	(227.43)	214.33	16.29	1.12
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR / PERIOD	16.52	6.92	234.35	20.02	3.73	2.61
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD	17.89	16.52	6.92	234.35	20.02	3.73
CASH AND CASH EQUIVALENTS COMPRISES OF:						
Cash on Hand	0.56	0.93	0.61	1.21	0.75	0.28
Balances with Banks in Current and deposit Accounts	17.33	13.90	6.31	233.14	19.27	3.45
Cheques on Hand	-	1.69	-	-	-	-
Total	17.89	16.52	6.92	234.35	20.02	3.73

Notes:

1. The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. Previous year's figures have been regrouped/ reclassified wherever necessary to confirm with current period's classification.
3. The above statement should be read with the Basis of accounting and preparation of financial statement and Significant Accounting Policies and notes to Restated Financial Information appearing in Annexure 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure 5. In terms of our report attached

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Gaurav J. Shah
Partner

(Dr. Prakash Bakshi)
Managing Director

(Aditya Gyanendra Bafna)
Executive Director

Ahmedabad: 7th January, 2015

(Vishesh Singhvi)
Chief Financial Officer

(Krishna Kumar Mishra)
Company Secretary
Mumbai : 7th January, 2015

ANNEXURE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS I Corporate Information and Significant Accounting Policies

1. Corporate Information :

The Company provides end-to-end logistics solutions under one roof. It provides services encompassing storage and preservation with a chain of dry and cold storage units, weighing, Testing and Certification (grading and sorting facilities for standardization of agricultural produce), collateral management for commodity financing against warehouse receipts/stocks with the help of Banks, fumigation and pest management, commodity procurement etc.

2. Significant Accounting Policies

Significant accounting policies consistently adopted for all the years/ periods presented in the Restated summary financial statements are set out below :

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared and presented under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014), and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

Financials of the entity for previous years considered for Restated Financial Statements have been reclassified wherever necessary to bring them in line with Schedule III to the Companies Act, 2013. The major restatement include, but not limited to

- bifurcation of assets and liabilities into current and non-current portion
- debit balance in the Statement of Profit and Loss disclosed under the head "Reserves and Surplus".
- Sundry Debtors replaced with Trade Receivables along with bifurcation between more than and less than 6 months (based on due date of payment)
- "Capital advances" reclassified under "Long Term Loans & Advances"
- Enhanced disclosures for certain class of transactions/balances

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Revenue Recognition

Warehousing services

Revenues from warehouses services are recognized when services are rendered, which coincides with terms of agreement entered with customers and other entities.

Procurement services

Revenues from procurement services are recognized when services are rendered, which coincides with terms of agreement entered with customers and other entities.

Testing & Certification and Pest management services

Revenues from Testing & Certification and pest management services are recognized when services are rendered, which coincides with terms of agreement entered with customers and other entities.

Sale of product

Sales are recognized on transfer of risk and reward of ownership to the buyer, which generally coincides with the delivery of goods to buyer. Sales exclude value added tax.

Construction receipts

Revenue from construction contracts is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

2.4 Inventory

Inventories are valued at the lower of cost and the net realizable value. The cost of inventories is computed on specific identification basis.

2.5 Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.6 Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.7 Depreciation

Up to 31st March, 2014, the depreciation on tangible assets is provided using Straight Line Method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. However in case of vehicles, fumigation covers and dunnage depreciation is provided at a rate of 15%, 20% and 33.33% respectively.

With effect from 1st April, 2014, the depreciation is provided based on useful life prescribed under schedule II of the Companies Act, 2013 except in case of fumigation covers and dunnage, the depreciation in respect of which is provided considering useful life as 5 years and 3 years respectively. The carrying amount as on 1st April, 2014 is depreciated over the remaining useful life of an asset in accordance with the requirements of schedule II of the Companies Act, 2013.

Intangible assets are amortized equally over a period of five years from the date of acquisition.

2.8 Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with AS-28 notified under the Companies (Accounting Standards) Rule 2006.

2.9 Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing cost are recognized as expense in the period in which they are incurred.

2.10 Government Grants and Subsidies

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Grants / subsidies whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grants / subsidies is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

2.11 Retirement Benefits

Gratuity Liability is provided under a defined benefit plan, under SBI Life Cap Assurance scheme of SBI Life Insurance under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary.

Contribution to Provident Fund, a defined contribution plan is charged to the statement of profit and loss.

Provision for leave encashment liability is made on actuarial valuation as at the Balance Sheet Date.

Short -term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the Year in which the related service is rendered.

2.12 Trade Receivable and Trade Payable

Trade receivables and trade payables as at the year-end are disclosed net of advances relating to the respective customers and vendors.

2.13 Foreign currency transactions

Transactions in foreign currencies entered into by the Company are accounted for at exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year except transactions covered by forward contract and differences are adjusted in the statement of profit and loss. In case of transactions covered by forward exchange contracts premium or discount is amortized as expenses or income over the life of the contract.

2.14 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss.

2.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets arising on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence and Deferred tax assets arising on account of other timing differences are recognized to the extent there is reasonable certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

II Notes to Accounts (Notes to Accounts are restated, as applicable, and include notes specific to the Restated Summary Statements, set out below).

Note 1:- Deferred Tax (Assets)/Liabilities (Net)

Particulars	(Rs. In Million)					
	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
A) Deferred Tax Liabilities:						
Depreciation	182.66	163.09	112.66	77.73	53.20	23.04
Total (A)	182.66	163.09	112.66	77.73	53.20	23.04
B) Deferred Tax Assets:						
Carry forward business losses and Unabsorbed Depreciation	22.66	33.19	78.83	75.89	62.66	38.30
Others	1.89	0.26	0.39	2.53	0.29	0.31
Total (B)	24.55	33.45	79.22	78.42	62.95	38.61
Total (A-B)	158.11	129.64	33.44	(0.69)	(9.75)	(15.57)

The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses as there is sufficient deferred tax liability on the difference between the book balance and the written down value of fixed assets under income tax and/or virtual certainty of future profit.

Note 2 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 1st April 2009	Additions During the year	Deductions during the year	Adjustments during the year	As at 31st March 2010	As at 1st April 2009	For the year	As at 31st March 2010	As at 31st March 2009
TANGIBLE ASSETS									
Leasehold Land	8.23	-	-	-	8.23	-	-	8.23	8.23
Freehold Land	399.77	7.17	-	-	406.94	-	-	406.94	399.77
Buildings	86.94	801.01	-	16.88	871.07	0.96	7.63	859	862.48
Plant & Machineries	6.84	52.47	-	-	59.31	0.33	0.84	1.17	58.14
Office Equipment	0.89	0.86	-	-	1.75	0.04	0.07	0.11	1.64
Furniture & Fixtures	1.74	4.02	-	-	5.76	0.05	0.20	0.25	5.51
Vehicles	4.19	-	-	-	4.19	0.93	0.63	1.56	2.63
Computer	1.46	1.96	-	-	3.42	0.19	0.41	0.60	2.82
TOTAL (A)	510.06	867.49	-	16.88	1,360.67	2.50	9.78	12.28	1,348.39
INTANGIBLE ASSETS									
Software	0.22	0.21	-	-	0.43	0.02	0.08	0.10	0.33
Copy right & Trade Mark	-	-	-	-	-	-	-	-	-
TOTAL (B)	0.22	0.21	-	-	0.43	0.02	0.08	0.10	0.33

Total (A+B)	510.28	867.70	-	16.88	1,361.10	2.52	9.86	-	12.38	1,348.72	507.76
Capital Work in Progress										126.79	616.70
Intangible Assets under Development										1.43	
Adjustments includes											
1.	Liquidated damages recovered from vendors amounting to Rs. 16.88 Million										
2.	The amount of interest capitalized during the year is Rs. 63.18 Million										

(Rs. in Million)

Adjustments includes

1. Liquidated damage recovered from vendors amounting to Rs. 7.01 Million
2. Capital subsidy amounting to Rs. 17.50 Million is received during the year under the scheme of Development/Strengthening of Agricultural marketing Infrastructure etc from NABARD for construction of ware houses and the same is adjusted against fixed assets.
3. The amount of interest capitalized during the year is Rs. 35.21 Million

FIXED ASSETS

[illegible]

Adjustments includes

1. Capital subsidy amounting to Rs.10.00 Million is received during the year under the scheme of Development/ Strengthening of Agricultural marketing Infrastructure etc. from NABARD for construction of warehouses and the same is adjusted against fixed assets.
2. The amount of interest capitalized during the year is Rs.41.04 Million.

(Rs. in Million)

1. Liquidated damages recovered from vendors amounting to Rs.5.00 Million.
2. The amount of interest capitalized during the year is Rs. 133.61 Million.

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		(Rs. in Million)
	As at 1st April 2013	Additions During the year	Deductions during the year	Adjustments during the year	As at 31st March 2014	As at 1st April 2013	For the year	Deductions during the year	As at 31st March 2014	
TANGIBLE ASSETS										
Leasehold Land	37.34	-	-	-	37.34	-	-	-	37.34	37.34
Freehold Land	761.54	108.97	-	-	870.51	-	-	-	870.51	761.54
Buildings	1,535.79	222.01	-	19.82	1,737.98	56.99	27.01	-	1,653.98	1,478.80
Plant & Machineries	146.38	31.25	-	-	177.63	17.10	12.78	-	147.75	129.28
Office Equipment	21.02	6.49	-	-	27.51	1.81	-	-	25.70	19.21
Furniture & Fixtures	34.68	0.44	-	-	35.12	3.19	2.41	-	29.52	31.49
Vehicles	20.82	2.15	1.41	-	21.56	4.43	3.19	1.21	15.15	16.39
Computer	14.78	3.92	-	-	18.70	5.56	2.68	-	10.46	9.22
TOTAL (A)	2,572.35	375.23	1.41	19.82	2,926.35	89.08	48.07	1.21	2,790.41	2,483.27
INTANGIBLE ASSETS										
Software	45.82	1.95	-	-	47.77	2.29	9.42	-	36.06	43.53
Trade Mark & Copyrights	5.09	-	-	-	5.09	2.28	1.02	-	1.79	2.81
TOTAL (B)	50.91	1.95	-	-	52.86	4.57	10.44	-	37.85	46.34
Total (A+B)	2,623.26	377.18	1.41	19.82	2,979.21	93.65	58.51	1.21	2,828.26	2,529.61
Capital Work in Progress									849.89	310.92
Intangible Assets under Development									-	-
Adjustments includes										
1. Capital subsidy amounting to Rs.31.72 Million is received during the year under the scheme of Gramin Bhandaran Yojana from NABARD for construction of warehouses and the same is adjusted against fixed assets and capital work in progress by Rs. 19.82 Million and Rs. 11.90 Million respectively.										
2. The amount of interest capitalized during the year is Rs.90.78 Million										

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		(Rs. in Million)
	As at 1st April 2014	Additions During the period	Deductions during the period	Adjustments during the period	As at 30th September 2014	As at 1st April 2014	For the period	Deductions during the period	As at 30th September 2014	
TANGIBLE ASSETS										
Leasehold Land	37.34	-	-	-	37.34	-	-	-	37.34	37.34
Freehold Land	870.51	-	-	-	870.51	-	-	-	870.51	870.51
Buildings	1,737.98	406.43	-	6.75	2,137.66	84.00	16.39	-	2,037.27	1,653.98
Plant & Machineries	177.63	44.67	-	-	222.30	29.88	11.10	-	40.98	181.32
Office Equipment	27.51	2.52	-	-	30.03	1.81	5.16	-	6.97	23.06
Furniture & Fixtures	35.12	6.31	-	-	41.43	5.60	2.28	-	7.88	33.55
Vehicles	21.56	9.17	-	-	30.73	6.41	1.28	-	7.69	23.04
Computer	18.70	1.45	-	-	20.15	8.24	5.60	-	13.84	6.31
TOTAL (A)	2,926.35	470.55	-	6.75	3,390.15	135.94	41.81	-	177.75	3,212.40
INTANGIBLE ASSETS										2,790.41
Software	47.77	-	-	-	47.77	11.71	4.78	-	16.49	31.28
Trade Mark & Copyrights	5.09	-	-	-	5.09	3.30	0.51	-	3.81	1.28
TOTAL (B)	52.86	-	-	-	52.86	15.01	5.29	-	20.30	32.56
										37.85
Total (A+B)	2,979.21	470.55	-	6.75	3,443.01	150.95	47.10	-	198.05	3,244.96
Capital Work in Progress										2,828.26
Intangible Assets under Development										820.81
Adjustments includes										-
1. Capital subsidy received under the scheme of gramam Bhandaran Yojana from NABARD for construction of warehouses amounting to Rs.6.75 Million										
2. The amount of interest capitalized during the year is Rs.44.42 Million.										
3. Effective from 1st April, 2014, the Company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act"). Consequent to this, depreciation charge for the period ended on 30th September, 2014 is higher by Rs.6.65 Million In accordance with the transitional provisions provided in Note 7(b) of Schedule II of the Act, an amount of Rs.2.23 Million (net of deferred tax of Rs.1.15Million) has been adjusted against the opening balance of retained earnings in respect of assets wherein the remaining useful life of the assets is Nil.										

Note 3:- Cash and Bank Balances

Particulars	As at 30th September 2014	(Rs. in Million)				
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
(a) Cash and Cash Equivalents						
(i) Cash on hand	0.56	0.93	0.61	1.21	0.75	0.28
(ii) Balances with Banks Current Accounts	17.33	13.90	6.31	13.14	19.27	3.45
(iii) Balances with Bank in deposit accounts having maturity within 3 months	-	-	-	220.00	-	-
(iv) Cheques on hand	-	1.69	-	-	-	-
(b) Other Bank Balances						
(i) unpaid Dividend account	6.35	-	-	-	-	-
(ii) Deposits with original maturity of less than 3 months (Under lien)	5.00	-	-	-	-	-
(iii) Deposits with original maturity more than 3 months but less than 12 month (Under lien)	36.28	1.28	-	-	-	-
(iv) Deposits with original maturity more then 12 month under lien with bank (Under lien)	10.29	10.29	10.63	10.56	12.20	11.77
Total	75.81	28.09	17.55	244.91	32.22	15.50

Note 4:- Contingent liability in respect of

Particulars	As at 30th September 2014	(Rs. in Million)				
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
a) Bank Guarantees given	277.33	262.33	270.19	127.15	77.40	60.00
b) Claim against the company not acknowledged as Debt	10.09	10.09	10.09	10.09	21.46	-
c) Guarantee Commitment to RSWC	-	-	-	-	5.00	-
d) Income tax disputes under appeal	52.05	52.05	47.84	-	-	-
e) Entry tax disputes under appeal	0.03	-	-	-	-	-

Note 5:- Capital Commitments

Particulars	As at 30th September 2014	(Rs. in Million)			
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	297.64	347.88	106.38	434.69	2.39

**Note 6:- Employee Benefits
Retirement Benefit plans**

a) Defined contribution Plans

The Company made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner.

The expenses recognised under the defined contribution plans in the Statement of Profit and Loss in respect of contribution to Provident Fund is as under

Particulars	30th September 2014	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Provident fund contributions in the statement of profit and loss	2.62	3.99	2.82	2.31	2.28	1.43

(Rs. in Million)

b) Defined Benefit plans

The company made annual contributions to the Employee's Group Gratuity cash accumulation scheme of the SBI Life, a funded defined benefit plan for qualifying employees. The Scheme provided for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

Particulars	30th September 2014	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Change in present value of obligations :						
Obligations at beginning of the year/Period	2.59	1.74	0.81	0.68	0.37	0.09
Service Cost	0.67	0.87	0.85	0.38	0.39	0.28
Interest Cost	0.11	0.14	0.07	0.06	0.03	-
Actuarial (gain)/loss	0.14	(0.16)	0.01	(0.31)	(0.11)	-
Benefits paid	(0.32)	-	-	-	-	-
Obligations at the end of the year/Period	3.19	2.59	1.74	0.81	0.68	0.37
Change in plan assets :						
Fair value of plan assets at the beginning of the year Period	3.20	1.68	-	-	-	-
Expected returns on plan assets	0.12	0.19	0.06	-	-	-
Employer Contributions	-	1.31	1.61	-	-	-
Actuarial (loss)/gain	-	0.02	0.01	-	-	-
Benefits paid	(0.32)	-	-	-	-	-
Fair Value of plan assets at the end of the year Period	3.00	3.20	1.68	-	-	-

(Rs. in Million)

Particulars	30th September 2014	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Reconciliation of Present Value of Obligation and the fair value of plan assets :						
Present value of the defined benefit obligation at the end of the year/Period	3.19	2.59	1.74	0.81	0.68	0.37
Less : Fair value of plan assets	3.00	3.20	1.68	-	-	-
Funded status [Surplus/(deficit)]	(0.19)	0.61	(0.06)	(0.81)	(0.68)	(0.37)
Experience Adjustment						
Defined benefit obligation	3.19	2.59	1.74	0.81	0.68	0.37
Plan Assets	3.00	3.20	1.68	-	-	-
Surplus/(deficit)	(0.19)	0.61	(0.06)	(0.81)	(0.68)	(0.37)
Experience adjustments on plan liabilities	(0.03)	0.27	(0.12)	-	-	-
Experience adjustments on plan assets	-	(0.02)	(0.01)	-	-	-
Gratuity Cost for the year/period						
Service Cost	0.67	0.87	0.85	0.38	0.39	0.28
Interest Cost	0.11	0.14	0.07	0.06	0.03	-
Expected returns on plan assets	(0.12)	(0.19)	(0.06)	-	-	-
Actuarial (gain)/loss	0.14	(0.18)	0.00	(0.31)	(0.11)	-
Net Gratuity cost charged to statement of Profit and Loss	0.80	0.64	0.86	0.13	0.31	0.28
Assumptions :						
Discount rate	8.70%	9.10%	8.00%	8.70%	8.30%	8.30%
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	-	-	-
Annual increase in salary costs	7.00%	7.00%	7.00%	6.00%	6.00%	6.00%

NOTE 7

Company has filed a writ petition in High Court of Rajasthan against order of Board of Revenue alleging violation of the principle of natural justice of Audi alteram partem i.e. hearing the other party/side in the case where Board of Revenue questioned the purchase of land by the company at Alwar from the then owners. The land & building at book value is Rs.83.17 Million. Company does not expect any liability on account of the same.

NOTE 8

A fire occurred on April, 10, 2014 at one of warehouse operated by the Company, where material belonging to NAFED was stored by the Company on behalf of Rajasthan State Warehousing Corporation, were damaged. This material is covered under insurance. Survey by insurance company and loss assessment is in progress. In view of the insurance coverage, Company does not envisage any significant loss from the incident.

NOTE 9

The company had received a letter from its term lender for projects in Rajasthan stating that the subsidy applied under Scheme of Development /Strengthening of Agriculture Marketing Infrastructure, Grading and Standardization (AMIGS) for its Agri Logistics Parks has not been approved on technical grounds as stated in Joint Monitoring Committee report and has recalled the advance subsidy of Rs.15.00 Million. The said advance capital subsidy received by the company is credited to the relevant fixed assets of the company in the year of receipt. The company has represented the matter to National Bank for Agriculture and Rural Development (NABARD) and Directorate of Marketing & Inspection (DMI), Delhi. DMI has initiated the process for reviewing the same in the light of submissions made by the company. Company believes that the projects are well qualified under the said subsidy scheme and the same would be approved by the relevant sanctioning authorities.

NOTE 10

The Company undertakes an array of activities in the post-harvest value chain for agri-commodities based on an integrated business model. Activities include warehousing, procurement, trading (including primary processed goods), collateral management, funding facilitation, testing & certification, and pest management in relation to agri-commodities. The Company has only one reportable segment which is, integrated post-harvest management solutions. Hence, the financial statements are reflective of the information required by AS-17 as specified under the Companies Act, 1956 (which is deemed to be applicable post April 1, 2014, in terms of section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).

NOTE 11

Employee Stock Option Scheme 2014 ("ESOS 2014")

The Company has introduced ESOS 2014 through the resolution passed by the Board of Directors on 1st October, 2014 in pursuance of the powers given by the Shareholders at the Extraordinary General Meeting held on 25th August, 2014. Under the scheme, options for 545,590 (Five Lakhs Forty Five Thousand Five Hundred and Ninety only) equity shares have been granted to eligible employees of the Company and each option (after it is vested) is exercisable for one equity share having face value of Rs.10 each for an exercise price of Rs.150. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. 1st October, 2014. The Board of Directors have formed Compensation Committee through resolution passed on 7th January, 2015 to administer the scheme.

ANNEXURE 5 - RESTATED SUMMARY STATEMENT OF ADJUSTMENT TO AUDITED FINANCIAL STATEMENTS

Particulars	For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010
Net Profit/(loss) after taxation and before adjustments	49.06	221.85	145.93	32.25	23.92	(36.63)
Adjustment for						
1 Prior Period Items						
Interest income (Refer Note 1)	-	-	-	-	(0.02)	0.02
Legal and Professional Expenses (Refer Note 1)	-	-	-	-	0.02	(0.02)
Prior period tax adjustment (Refer Note 1)	-	-	-	-	-	0.09
2 Accounting Policy						
Inventory adjustment (Refer Note 3)	-	-	10.68	5.40	(14.61)	(1.51)
3 Material Adjustments						
Gratuity and Leave Encashment (Refer Note 4)	-	-	1.28	(0.13)	(0.42)	(0.54)
Balances written off (Refer Note 2)	-	22.29	-	(22.29)	0.18	(0.18)
Total Impact before tax adjustment	-	22.29	11.96	(17.02)	(14.85)	(2.14)
MAT Tax Payable (Refer Note 5)	-	(4.67)	(2.39)	3.41	2.96	-
MAT Tax Credit (Refer Note 5)	-	4.67	2.39	(3.41)	(2.96)	-
Deferred Tax on adjustments (Refer Note 5)	-	(7.58)	(3.88)	5.52	4.93	0.71
Total tax impact on adjustment	-	(7.58)	(3.88)	5.52	4.93	0.71
Net impact of adjustment after tax	-	14.71	8.08	(11.50)	(9.92)	(1.43)
Profit/(loss) after tax, as restated	49.06	236.56	154.01	20.75	14.00	(38.06)

Note 1

These represent adjustments of material charges or credits which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods and/or material adjustments necessitated by circumstances which though related to previous periods are determined in the subsequent period.

Note 2

Receivables, which were considered non recoverable and written off in the financial years 2013-14 and 2010-11 have been appropriately adjusted in the respective years to which they relate.

Note 3

With effect from FY 2012-13 the Company has changed its method of valuation of inventories from first in first out to specific identification method to adopt more appropriate method in the line of the trading business of the Company. The value of the inventories for the earlier period is recalculated in accordance with the specific identification method and adjustments have been made in the respective years to which they relate and for the year ended 31st March, 2009 is adjusted against opening balance of reserve.

Note 4

Until the year ended 31st March, 2012, the Company accounted for Gratuity and leave encashment liability on actual payment basis. The Company has started accounting for Leave Encashment and Gratuity liability based on actuarial valuation from FY 2012-13 onwards. The liability/expense for the earlier years is determined based on actuarial valuation and adjustments have been made in the respective years to which they relate.

Note 5

The tax rate applicable for the respective years has been used to calculate the current tax and deferred tax impact of the adjustments.

Note 6:- Opening Reserve reconciliation

Particulars	Rs. In Million
Opening Reserve balance as on 1st April 2009	5.19
i) Arrear of Dividend FY 2008-09	(4.11)
ii) Tax of Dividend FY 2008-09	(0.67)
iii) Prior period tax adjustment	(0.09)
iv) Inventory adjustments	0.05
v) Gratuity Provision	(0.09)
vi) Leave encashment provision	(0.09)
Balance after Reconciliation as on 1st April 2009	0.19

Note 7:- Non adjusting item

Current Auditors and Erstwhile Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Amendment order 2004, issued by Central Government of India in term of sub section (4A) of section 227 of the Companies Act, 1956 of India are as follows:

Financial Year 2012-13 and Financial Year 2013-14

Details of dues of Income-tax which have not been deposited as on 31st March, 2013 and 31st March, 2014 on account of disputes are given below:

Name of the statute	Nature of dues	Year	Amount (Rs. In Million)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2009-10	9.34	Commissioner (Appeal)

Note 8:- Material Regrouping

Appropriate adjustments have been made in restated summary statements of Assets and Liabilities, statement of profit and losses and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended 30th September, 2014, prepared in accordance with schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Note 9:- Advance Tax net off provisions

Upto the year ended 31st March, 2014, the Company had classified "Advance Income Tax and TDS (net of provisions)" under the head "Short Term Loans and Advances". For the period ended 30th September, 2014, the Company has presented the same under the head "Long Term Loans and Advances". Accordingly, the Restated Summary Statement of Assets and Liabilities has been regrouped to present "Advance Income Tax and TDS (net of provisions)" under the head "Long Term Loans and Advances".

Note 10:- Liquidated damage:

Company has recovered liquidated damages from contractors constructing capital assets for the Company, which had been reduced from the cost of the fixed assets. The said liquidated damage has been adjusted to the fixed assets in the year in which corresponding fixed assets has been capitalized.

Note 11:- Dividend on cumulative preference share:

The Company has paid the arrears of dividend on cumulative preference share during the FY 2012-13 for FY 2008-09, 2009-10, 2010-11 and 2011-12. The adjustment of dividend on cumulative preference shares has been given in the respective years to which it pertains. The effect of the arrears of the dividend of FY 2008-09 is given in the balance of opening reserve as at 1st April, 2009.

ANNEXURE 6 - RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

Particulars	(Number and Rs. in Million)					
	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
I. AUTHORISED :						
a. Equity Shares of Rs 10 each						
Number of shares in Million	60.00	60.00	60.00	60.00	30.00	21.00
Amount in Rs in Million	600.00	600.00	600.00	600.00	300.00	210.00
b. 4% Cumulative Redeemable Preference Shares						
of Rs 10 each						
Number of shares in Million	16.00	16.00	16.00	16.00	16.00	16.00
Amount in Rs in Million	160.00	160.00	160.00	160.00	160.00	160.00
Total	760.00	760.00	760.00	760.00	460.00	370.00
II. ISSUED, SUBSCRIBED and PAID-UP						
a. Equity Shares of Rs 10 each						
Number of shares in Million	46.80	46.80	42.12	42.12	27.00	20.00
Amount in Rs in Million	468.00	468.00	421.20	421.20	270.00	200.00
b. 4% Cumulative Redeemable Preference Shares						
of Rs 10 each						
Number of shares in Million	15.88	15.88	15.88	15.88	15.00	14.00
Amount in Rs in Million	158.80	158.80	158.80	158.80	150.00	140.00
Total	626.80	626.80	580.00	580.00	420.00	340.00

a) Details of shareholders holding more than 5% shares in the company

(1) Equity Shares

Name of Shareholder	As at 30th September 2014		As at 31st March 2014		As at 31 st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Kalpataru Power Transmission Limited	35.85	76.60	35.85	76.60	35.85	85.11
Aditya Gyanendra Bafna	2.76	5.90	2.76	5.90	2.76	6.55
Shubhendra Kumar Bafna	2.21	4.72	2.21	4.72	2.21	5.25
Tano India Private Equity Fund II	4.68	10.00	4.68	10.00	-	-

(Number in Million)

Name of Shareholder	As at 31st March 2012		As at 31st March 2011		As at 31 st March 2010	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Kalpataru Power Transmission Limited	35.85	85.11	23.00	85.19	16.00	80.00
Aditya Gyanendra Bafna	2.76	6.55	1.63	6.04	1.63	8.15

Shubhendra Kumar Bafna		2.17	5.15	1.03	3.81	1.03	5.15
Tano India Private Equity Fund II		-	-	-	-	-	-

(1) **4% Cumulative Redeemable Preference Shares**

(Number in Million)

Name of Shareholder	As at 30th September 2014		As at 31st March 2014		As at 31 st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Kalpataru Power Transmission Limited	13.50	85.01	13.50	85.01	13.50	85.01
Shubhendra Kumar Bafna	1.12	7.05	1.12	7.05	1.12	7.05
Aditya Gyanendra Bafna	0.95	5.98	0.95	5.98	0.95	5.98

(Number in Million)

Name of Shareholder	As at 31st March 2012		As at 31st March 2011		As at 31st March 2010	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Kalpataru Power Transmission Limited	13.50	85.01	13.50	90.00	12.50	89.29
Shubhendra Kumar Bafna	0.90	5.67	0.49	3.27	0.49	3.50
Aditya Gyanendra Bafna	0.95	5.98	0.49	3.27	0.49	3.50

a) Terms/Rights attached to Shares :

(1) **Equity Shares :**

Each holder of Equity Shares of face value of Rs.10 each is entitled to one vote per share. The dividend proposed by the board of directors are subject to the approval of Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

(2) **4% Cumulative Redeemable Preference Shares :**

Each holder of Preference Shares having par value of Rs.10 per share is not entitled to voting right on any resolution in General Meeting except on resolution which directly affect the rights attached to Preference Shares and by those cumulative Preference Shareholders whose dividend is due for a period not less than 2 Years preceding the meeting. Preference Shares are Cumulative, entitled to 4% dividend on being declared by the Board of Directors which is subject to approval of the shareholders at the ensuing General Meeting.

a) Shares held by Holding Company

Name of Shareholder	Type of Share	No. of Shares in Million			
		As at 30th Sept 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2011
Kalpataru Power Transmission Limited	Equity Shares	35.85	35.85	35.85	23.00
Kalpataru Power Transmission Limited	Preference Shares	13.50	13.50	13.50	13.50
					16.00
					12.50

- a) Terms of compulsorily convertible debentures (CCD) into Equity Shares
The company has issued 100 unsecured compulsorily convertible debentures (CCD) having face value of Rs. 4.49 Million per debenture carrying interest rate of 4.009%. All the CCDs shall be converted into equity shares ranking pari passu with the equity shares at a conversion ratio determined as per the investment agreement with the debenture holder.

ANNEXURE 7 - RESTATED SUMMARY STATEMENT OF RESERVES AND SURPLUS

		(Rs. In Million)				
Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
(a) Securities Premium Account						
Balance at the beginning of the year/period	280.92	-	-	-	-	-
Add:- Premium on Equity share issued during the year	-	304.20	-	-	-	-
Less:- Share issue Expenses	-	23.28	-	-	-	-
Balance at the end of the year/period	280.92	280.92	-	-	-	-
(b) Surplus/(Deficit) in statement of Profit and Loss						
Balance at the beginning of the year/period	352.49	123.36	(23.22)	(37.00)	(44.38)	0.19
Add: Restated Profit/ (Loss) for the year/ period	49.06	236.56	154.01	20.75	14.00	(38.06)
Less: Depreciation charged to reserve (refer note 1)	2.23	-	-	-	-	-
Less: Proposed Dividend on Preference Shares (refer note 2)	-	6.35	6.35	6.00	5.70	5.60
Less: Corporate Dividend Tax on above (refer note 2)	-	1.08	1.08	0.97	0.92	0.91
Balance at the end of the year/period	399.32	352.49	123.36	(23.22)	(37.00)	(44.38)
Total	680.24	633.41	123.36	(23.22)	(37.00)	(44.38)

- 1 Effective from 1st April, 2014, the Company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act") and hence In accordance with the transitional provisions provided in Note 7(b) of Schedule II of the Act, an amount of Rs.2.23 Million(net of deferred tax of Rs.1.15 Million) has been adjusted against the opening balance of retained earnings in respect of assets wherein the remaining useful life of the assets is Nil.
- 2 Arrears of dividend on 4% Cumulative Redeemable Preference shares for the financial year 2011-12,2010-11, 2009-10 and 2008-09 is paid during the financial year 2012-13 amounting to Rs.24.87 Million (including corporate dividend tax Rs.3.47 Million).

ANNEXURE 8 - RESTATED SUMMARY STATEMENT OF SECURED AND UNSECURED LOANS

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	(Rs. In Million)	
					As at 31st March 2011	As at 31st March 2010
A) Long Term Borrowings						
I. SECURED						
Term loan from banks						
Non Current	2,244.50	2,030.83	959.23	1,053.34	551.29	735.99
Current maturities	212.79	182.54	137.78	127.70	113.95	93.53
Total Secured Term Loan	2,457.29	2,213.37	1,097.01	1,181.04	665.24	829.52
Less:- Current maturities (included in other Current Liabilities in Annexure 13)	(212.79)	(182.54)	(137.78)	(127.70)	(113.95)	(93.53)
Total I Secured Loans	2,244.50	2,030.83	959.23	1,053.34	551.29	735.99
II. UNSECURED						
a. From Holding Company	600.13	565.54	1,619.99	750.00	700.00	490.95
b. Compulsorily convertible debentures	449.00	449.00	-	-	-	-
Total II Unsecured Loans	1,049.13	1,014.54	1,619.99	750.00	700.00	490.95
Total Long Term Borrowing (A) (I+II)	3,293.63	3,045.37	2,579.22	1,803.34	1,251.29	1,226.94
B Short Term Borrowings						
I. SECURED						
Working capital facilities from banks	548.61	411.49	499.21	226.26	205.10	107.18
II. UNSECURED						
a. From Bank	100.00	-	-	-	-	-
b. From Holding Company	-	-	-	105.38	26.15	-
Total Short Term Borrowing (B) (I+II)	648.61	411.49	499.21	331.64	231.25	107.18

Principal Terms and Conditions of Secured and Unsecured loans as at 30th September 2014:

Notes:-

Terms of Secured loans

Type of Facility	As at 30th September 2014	Current Rate of interest	Repayment terms / other principal terms and condition	Security
A)				
Term Loan				
Term Loan - I	667.35	10.65%	Repayable in 32 quarterly structured instalments from May 31, 2015	Refer Note 1
Term Loan - II	764.97	10.65%	Repayable in balance 30 quarterly structured instalments from November 30, 2014.	Refer Note 1
Term Loan - III	250.97	10.25%	Repayable in balance 7 quarterly equal instalments from November 7, 2014	Refer Note 2
Term Loan - IV	30.93	10.25%	Repayable in balance 13 quarterly structured instalments from October 7, 2014	Refer Note 2
Term Loan - V	600.00	10.00%	Repayable in 28 quarterly structured instalments from October 15, 2016	Refer Note 3

Type of Facility	As at 30th September 2014	Current Rate of interest	Repayment terms / other principal terms and condition	Security
Vehicle Loan - VI	8.81	10.06%-10.5%	Repayable in the range of 1 to 39 balance monthly instalments.	Refer Note 4
Term Loan - VII	134.26	10.75%	Repayable in 32 quarterly equal instalments from July 31, 2016	Refer Note 5
Total	2,457.29			
B) Working Capital				
Cash credit I	197.94	11.25%	Repayable on demand	Refer Note 6
			Repayment terms: tenor upto 12 months Events of default: Events of default under this facility include, among others:	
Short Term Loan	200.00	10.75%	<ul style="list-style-type: none"> Change in ownership, management and/or control of Company, including without limitation any change in the chief executive officer or the managing director, by whatever name called without prior consent of the lender The Company ceases or threatens to cease to carry on business. The Company is in breach of any agreement with any person who has provided loans, deposits, advances, guarantees or other financial liabilities to Company. Any other event/material change which prejudicially alters the lender's interest or may have a material adverse effect. 	Refer Note 7
			Penalties: The Interest will be computed at the additional rate of interest on the amounts of default i.e. amounts becoming due and remaining unpaid (whether or not specifically demanded by bank), from the date of default till date of receipt of payment by the bank of such amounts of defaults.	
Cash credit II	86.07	10.85%	Repayable on demand	Refer Note 8
Overdraft against Fixed Deposit	0.99	10.00%	Repayable on demand	Refer Note 9
Loan against pledge of stock	42.70	10.85%	Repayable on demand	Refer Note 10
Overdraft	20.91	10.85%	Repayment terms: tenor upto 90days.	Refer Note 11
Total	548.61			

Terms of Secured loans

- 1 Secured by exclusive first charge on all the assets, including land, building and other assets, created out of the proceeds of the term loan and situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas and personally guaranteed by two Executive Directors.
- 2 Secured by first pari passu charge on moveable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sri Ganganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot and further collaterally secured by second charge on the stock and book debts and personally guaranteed by two Executive Directors.
- 3 Secured by first Pari Passu charge on moveable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sri Ganganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot
- 4 Secured against Vehicles.
- 5 Secured against plant & machinery, equipment, other fixed assets and land & warehousing complexes constructed at Netra and personally guaranteed by two executive directors.

- 6 Secured by first pari passu charge on entire stock and Book Debts and second pari passu charge on plant and machinery and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sri Ganganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot and personally guaranteed by two executive directors.
- 7 Secured by pari passu charge on current assets of the company and second pari passu charge on immovable and movable assets of warehouses at Jodhpur, Merta, Bikaner, Sri Ganganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- 8 Secured by pari passu charge on stock and book debts at the company's premises or at such other places as may be notified to the bank from time to time and second pari passu charge on assets, including Lands, Building and other assets, situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas and is also personally guaranteed by two executive directors.
- 9 Secured against Fixed deposit receipts of the company.
- 10 Secured against pledge of Warehouse Receipt of Stock in trade and second pari passu charge on assets, including Lands, Building and other assets, situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas and is also personally guaranteed by two executive directors.
- 11 Secured by second pari passu charge on assets, including lands, building and other assets, situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas and is also personally guaranteed by two executive directors.

Terms of Unsecured loans

1. Unsecured loan from Holding Company
Rs. 600.13 Million Unsecured Loan from Holding Company is repayable after 31st March 2016 and present rate is 12.20% p.a.
2. Compulsorily convertible debentures
The company has issued 100 unsecured compulsorily convertible debentures (CCD) having face value of Rs. 4.49 Million per debenture carrying interest rate of 4.009%.
All the CCDs shall be converted into equity shares ranking pari passu with the equity shares at a conversion ratio determined as per the investment agreement with the debenture holder.
3. Unsecured loan from Bank
Rs. 100.00 Million Unsecured short term loan from bank having rate of interest of 10.75% is personally guaranteed by two Executive Directors.

Repayment terms: Tenor up to nine month Events of default:

Events of default under this facility include, among others:

- Cross default to borrower's other material agreements and his other indebtedness
- Change in material ownership, i.e., holding of KPTL goes below 51% of the Company's paid-up share capital.
- Failure to get the facilities sanctioned by the lender rated by credit agencies within prescribed periods/intervals.

Any event notified by the lender which is likely to constitute. Material adverse change that shall have occurred (i) in the condition, financial or otherwise, prospect or operations of the Company or any of subsidiaries or affiliates, present or future or (ii) which may, in the sole opinion of the lender adversely affect the repayment of the facility amount.

Penalties:

Any default by the Company in the payment of dues, or of any of the terms and conditions of such borrowing would entail an additional interest charge of 2% p.a. on the outstanding loan leviable from the date of default, without prejudice to the lender's rights available under the terms of the borrowing and on default/failure of the borrower to pay the same.

ANNEXURE 9 - RESTATED SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	(Rs. In Million)	
						As at 31st March 2010	As at 31st March 2010
Investment in Partnership Firm Kalpataru Shubham Enterprises	-	-	3.49	3.16	2.88	-	-
Interest in Partnership	-	-	20%	40%	40%	-	-
Investment in LLP Shree Puja Kripa Cold Storage LLP	-	-	-	0.10	-	-	-
Interest in LLP	-	-	-	74%	-	-	-
Total	-	-	3.49	3.26	2.88	-	-

ANNEXURE 10 - RESTATED SUMMARY STATEMENT OF TRADE RECEIVABLES

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	(Rs. In Million)	
						As at 31st March 2010	As at 31st March 2010
Debits outstanding for a period exceeding six months from due date							
Unsecured Considered good	69.75	44.34	99.92	7.34	1.80		0.92
Other Trade receivables							
From Related Party	-	-	-	0.03	-		-
Unsecured Considered good	532.65	580.40	605.15	316.39	185.47		117.96
Total	602.40	624.74	705.07	323.76	187.27		118.88

ANNEXURE 11 - RESTATED SUMMARY STATEMENT OF LOANS AND ADVANCES

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	(Rs. In Million)	
						As at 31st March 2010	
I. Long Term Loans and Advances Unsecured, considered good							
Capital Advances to related parties	-	-	44.80	-	-	-	-
Capital Advances to others	98.94	74.35	20.04	66.78	11.83	34.30	
MAT Credit entitlement	100.73	84.24	28.82	7.96	1.99	-	
Advance Income Tax and TDS (net of provisions)	50.64	21.12	21.22	28.26	15.46	9.70	
Security/Earnest Money Deposits	6.57	6.57	4.52	4.90	4.55	5.00	
Total (A)	256.88	186.28	119.40	107.90	33.83	49.00	
II. Short Term Loans and Advances Unsecured, considered good							
Loans and advances to employees	3.17	2.30	1.19	0.49	0.25	0.17	
Advance to creditors	44.54	36.80	9.04	1.45	3.35	1.16	
Balances with government authority							
Additional Custom Duty Refundable	23.15	35.24	28.69	5.22	2.51	-	
VAT Refundable	-	-	-	12.50	16.50	-	
VAT Credit receivables	11.64	7.24	25.57	14.42	6.78	6.57	
Security/Earnest Money Deposits	15.60	13.30	6.83	8.74	18.40	13.45	
Prepaid Expenses	30.22	5.95	6.09	10.76	10.61	1.28	
Total (B)	128.32	100.83	77.41	53.58	58.40	22.63	
Total (A+B)	385.20	287.11	196.81	161.48	92.23	71.63	

ANNEXURE 12 - RESTATED SUMMARY STATEMENT OF OTHER ASSETS

Particulars	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	(Rs. In Million)	
						As at 31st March 2010	
I. Other Non Current Assets							
Subsidy Deposit (Refer Note below)	65.98	59.23	27.50	30.00	20.00	-	-
Total	65.98	59.23	27.50	30.00	20.00	-	-
II. Other Current Assets							
Unbilled Revenue	160.08	108.79	54.45	40.01	20.13	8.19	8.19
Export Incentive Receivable	9.12	4.34	5.77	5.65	2.97	-	-
Receivable on sale of Fixed Assets	-	-	80.00	-	-	-	-
Total	169.20	113.13	140.22	45.66	23.10	8.19	8.19

Note:

Advance capital subsidy received under the Scheme of Gramin Bhandaran Yojana and Development/ Strengthening of Agricultural marketing Infrastructure are credited to the fixed assets. The same is kept as Security Deposit with the bank as per the scheme of subsidy as it is adjustable in last instalments of the bank term loan.

ANNEXURE 13 - RESTATED SUMMARY STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

Particulars	(Rs. In Million)					
	As at 30th September 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011	As at 31st March 2010
I) Current Liabilities						
A) Trade Payables						
Due to Micro & Small enterprises	-	-	-	-	-	-
Acceptances	71.00	146.31	107.58	-	-	-
Other Trade Payables	145.97	212.68	512.91	89.24	70.30	17.77
Total	216.97	358.99	620.49	89.24	70.30	17.77
B) Other Current Liabilities						
Current maturities of Long Term debts	212.79	182.54	137.78	127.70	113.95	93.53
Interest accrued but not due on borrowings	26.97	14.94	9.97	2.80	0.19	0.01
Other payables						
Statutory remittances	6.56	27.46	29.20	21.07	13.08	5.68
Subsidy Repayable	-	-	-	2.50	2.50	-
Advances from Customers	115.88	101.47	51.74	121.53	1.43	0.21
Security Deposits	-	-	-	0.58	0.24	-
Payable for purchase of Fixed Assets	75.32	70.62	119.58	13.24	17.54	46.02
Total	437.52	397.03	348.27	289.42	148.93	145.45
2) Provisions						
A) Long Term Provision						
a) Provision for Employees Benefits	1.17	0.87	0.61	1.24	1.12	0.71
B) Short Term Provisions						
a) Provision for Employees Benefits	0.28	0.70	0.16	0.04	0.03	0.02
b) Other Provisions						
Provision for Taxation (Net of advance tax)	-	13.97	18.95	-	-	-
Provision for proposed preference dividend	6.35	6.35	6.35	21.41	15.41	9.71
Provision for tax on proposed dividend	-	1.08	1.08	3.47	2.50	1.58
Total	7.80	22.97	27.15	26.16	19.06	12.02

Note:- Based on the information available with the Company, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the Auditors.

ANNEXURE 14 - RESTATED SUMMARY STATEMENT OF KEY OPERATIONAL INCOME AND EXPENSES ITEMS

Particulars	For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010
I Sale of Trading Products*	760.34	2,998.09	1,987.43	1,718.06	1,136.15	834.52
III Sale of Services from:						
a. Procurement Income	129.24	39.95	-	-	-	-
b. Warehousing Services						
i. Storage Service	486.09	620.37	286.41	234.14	162.20	34.94
ii. Weighment Service	1.82	2.86	1.93	2.70	1.12	0.44
c. Collateral Management and Funding Facilitation Services	6.35	13.25	18.48	12.33	16.63	13.03
d. Testing & Certification and Pest Management Services						
i. Testing and Certification	5.96	9.68	6.90	8.78	4.49	1.42
e. Construction Receipts	-	-	5.12	46.66	35.98	-
III Other Operating Income						
a. Export Benefits	8.47	7.59	9.97	6.25	3.78	-
b. Sample Sale Income	0.56	1.99	2.58	0.68	-	-
Total	1,398.83	3,693.78	2,318.82	2,029.60	1,360.35	884.35
Purchase Of Stock In Trade*	638.07	2,547.40	2,140.83	1,643.66	1,185.26	834.24
Changes In Inventory Of Stock In Trade						
Stock in trade at the beginning of the Year/Period *	821.85	873.62	463.73	287.63	97.51	57.21
Stock in trade at the end of the Year/Period *	690.31	821.85	873.62	463.73	287.63	97.51
Total	131.54	51.77	(409.89)	(176.10)	(190.12)	(40.30)
Employee Benefits Expense						
Salaries and Wages	88.21	146.38	86.93	75.63	71.54	38.03
Contributions to Provident and Other Funds	2.51	6.52	4.21	2.94	2.92	1.44
Staff Welfare Expenses	0.63	2.69	1.89	1.78	1.28	0.18
Total	91.35	155.59	93.03	80.35	75.74	39.65
Other Expenses						
Advertisement expenses	1.51	1.48	0.25	2.58	1.92	0.35
Balances Written Off	-	-	-	22.29	-	0.18
Bank Commission & Charges	2.17	4.73	2.70	1.38	0.73	0.31
Brokerage expenses	-	1.93	1.22	4.72	4.14	3.77
Charity & Donation	0.58	1.05	0.29	0.09	0.15	-
Computer expenses	0.93	0.51	0.21	0.47	0.25	0.19
Construction expenses	-	-	5.12	50.68	34.71	-
Conveyance expenses	2.43	4.23	2.41	1.96	1.49	0.74
Electricity expenses	9.58	13.53	11.61	8.61	6.41	2.02
Freight and Forwarding expenses	17.52	45.49	35.19	36.16	8.04	2.94
Fumigation expenses	23.72	25.17	21.27	15.24	3.02	-

Godown Rent	91.64	88.25	7.64	9.78	0.63	2.23
Insurance Charges	19.73	18.63	12.96	8.91	6.10	1.74
ISO Charges	0.19	0.46	0.46	1.21	0.37	0.43
Legal and Professional expenses	8.76	12.65	8.98	5.56	1.69	0.59
Loss on sale of assets	-	-	1.19	0.01	0.03	-
Miscellaneous expenses	22.36	24.30	18.69	12.46	10.03	2.90
Net Loss on Exchange Rate variation	2.17	28.98	-	-	-	-
Postage & Courier expenses	0.98	1.55	1.40	1.46	1.13	0.29
Rent	9.92	12.73	12.38	4.03	2.78	1.95
Repairs and Maintenance	6.55	12.11	9.28	6.38	2.41	0.63
Share issue Expenses	-	-	-	1.66	0.53	-
Share of Loss of Partnership Firm	-	-	0.03	0.02	0.02	-
Stationery, Printing and Drawing Expenses	1.63	3.03	2.94	3.34	3.22	1.28
Stores, Spares & consumables	18.40	21.25	10.67	9.19	3.83	1.44
Taxes and Duties	0.02	0.02	0.40	0.67	0.22	0.09
Telecommunication Expenses	2.24	5.39	4.45	3.66	3.14	1.36
Testing Expenses	0.35	0.54	0.50	0.22	-	-
Travelling Expenses	5.59	9.08	8.09	9.69	6.75	3.55
Vehicle Expenses	2.16	4.07	1.58	0.89	0.63	0.31
Water Charges	0.89	0.91	1.40	0.82	0.57	0.22
Share of RSWC**	6.13	15.24	20.85	28.82	9.54	-
Payment to Auditors						
Audit Fees	0.60	1.01	0.29	0.23	0.17	0.12
Taxation Matters	-	-	0.24	0.19	0.12	0.10
Other Services & Reports	0.01	-	0.07	0.04	0.03	0.02
Total	258.76	358.32	204.76	253.42	114.80	29.75

*Includes Primary Processed Products

**The company has entered into MOU with Rajasthan State Warehousing Corporation (RSWC), a Government of Rajasthan Undertaking, for storage of Agriculture/Non Agriculture commodity on the basis of sharing of revenue for owned and RSWC warehouses. The share of RSWC for the revenue billed by the company is shown as operating charges in the Statement of Profit and Loss.

	(Rs. In Million)					
Depreciation And Amortization Expense						
Depreciation on Tangible Assets	38.43	48.08	31.36	26.07	21.10	9.78
Amortization on Intangible Assets	5.29	10.43	2.72	1.06	0.70	0.08
Total	43.72	58.51	34.08	27.13	21.80	9.86
Finance Costs						
Interest Expense	156.75	254.82	157.75	179.60	138.46	68.19
Other borrowing cost	0.35	2.46	2.47	1.65	0.19	0.19
Total	157.10	257.28	160.22	181.25	138.65	68.38

ANNEXURE 15 - RESTATED SUMMARY STATEMENT OF OTHER INCOME

Particulars	Nature (Recurring / Non Recurring)	For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010
Breakup of Other Income :							
Interest Income		0.39	5.85	4.96	4.98	4.63	1.93
Profit on sale of fixed assets	Recurring	-	80.13	103.90	2.54	-	-
Net Gain on Exchange Rate variation	Refer Note 2	-	-	4.46	2.41	0.97	-
	Recurring	-	-	-	-	-	-
Total		0.39	85.98	113.32	9.93	5.60	1.93

Note:

- The classification of income into recurring and non recurring is based on the current operations and business activities of the Company.
- Profit on sale of fixed assets includes gain of Rs.80 Million (FY 2013-14), Rs.100 Million (FY 2012-13), received for transfer of rights in land which is non recurring in nature. The remaining profit on sale of fixed assets is recurring in nature.

ANNEXURE 16 - RESTATED SUMMARY STATEMENT OF DIVIDEND PAID / PROPOSED BY THE COMPANY

Particulars	For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010
Class of shares						
Face value : Rs. 10 per share						
Number of Equity Shares In Million	46.80	46.80	42.12	42.12	27.00	20.00
Number of 4% Cumulative Redeemable Preference Shares in Million	15.88	15.88	15.88	15.88	15.00	14.00
Dividend on Equity Shares						
Rate of Dividend (%)	-	-	-	-	-	-
Dividend Per Share	-	-	-	-	-	-
Amount of Dividend (Rs. in Million)	-	-	-	-	-	-
Corporate Dividend Tax (Rs. in Million)	-	-	-	-	-	-
Dividend on 4% Cumulative Redeemable Preference Shares						
Rate of Dividend (%)	-	4.00	4.00	4.00	4.00	4.00
Dividend Per Share	-	0.40	0.40	0.40	0.40	0.40
Amount of Dividend (Rs. in Million)	-	6.35	6.35	6.00	5.70	5.60
Corporate Dividend Tax (Rs. in Million)	-	1.08	1.08	0.97	0.92	0.91

Arrears of dividend on 4% Cumulative Redeemable Preference shares for the financial year 2011-12, 2010-11, 2009-10 and 2008-09 is paid during the financial year 2012-13 amounting to Rs. 24.87 Million (including corporate dividend tax Rs. 3.47 Million).

ANNEXURE 17 - RESTATED SUMMARY STATEMENT OF ACCOUNTING RATIOS

Particulars		(Number and Rs. in Million)				
		For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
Profit after tax (after adjustment of preference dividend and tax thereon)	A	45.25	229.13	146.58	13.78	7.38
Profit after tax (after adjustment for the effect of dilutive potential equity shares)	B	51.21	241.02	146.58	13.78	7.38
Weighted average number of Equity shares outstanding during the year/ period	C	46.80	46.03	42.12	27.04	21.78
Weighted average number of Potential Equity shares	D	7.76	6.48	-	-	-
Number of Equity shares outstanding at end of the year/period	E	46.80	46.80	42.12	42.12	27.00
Restated Net Worth Excluding preference share capital at the end of the year/period	F	1,148.24	1,101.41	544.56	397.98	233.00
Accounting Ratios :						
Basic earnings per share (Rs.)	A/C	0.97	4.98	3.48	0.51	0.34
Diluted earnings per share (Rs.)	B/(C+D)	0.94	4.59	3.48	0.51	0.34
Return on net worth (%)	A/F	3.94	20.80	26.92	3.46	3.17
Net Asset value per equity share (Rs.)	F/E	24.54	23.53	12.93	9.45	8.63
						7.78

Notes:

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specified shares are outstanding as a proportion of total number of days during the year/period.
2. The above ratios have been computed on the basis of the restated summary statements - Annexure 1 and Annexure 2.
3. The weighted average number of potential equity shares for the six months ended 30th September, 2014 has been derived, considering the applicable conversion ratio of compulsorily convertible debentures (CCD) into equity shares as at 31st March, 2014.

ANNEXURE 18 - STATEMENT OF CAPITALISATION

		(Rs. In Million)	
Particulars	Pre-Issue (As at 30 th September, 2014)	Post-Issue As at (Refer note 2)	
Short term debt	648.61	-	-
Long term debt (including current maturities of long term debt)	3,506.42	-	-
Total Debt	4,155.03	-	-
Shareholders' funds			
Share capital (including Preference Share Capital)	626.80	-	-
Reserves as restated	680.24	-	-
Total Shareholders' funds	1,307.04	-	-
Long Term Debt/Total Shareholders' funds	2.68	-	-
Long Term Debt/Total Shareholders' funds(Ratio)	2.68:1	-	-

Notes:-

- The above has been computed on the basis of the Restated Summary Statements - Annexure 1 and Annexure 2.
- The issue price and the number of shares are being finalized and as such the post issue capitalization statement can not be presented.

ANNEXURE 19 - RESTATED STATEMENT OF TAX SHELTERS

Particulars		For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	(Rs. In Million)
							For the year ended 31st March 2010
Profit/(Loss) before taxes, as restated	A	78.68	350.89	209.11	29.82	19.82	(55.30)
Applicable tax rate	B	33.99%	33.99%	32.45%	32.45%	33.22%	30.90%
Tax Expense at applicable rate	C	26.74	119.27	67.86	9.68	6.58	(17.09)
Adjustments							
Permanent Differences							
Long Term Capital Gain		-	(80.00)	(101.87)	-	-	-
Profit on sale of fixed assets		-	(0.13)	(2.03)	(2.54)	-	-
Expenses Disallowed		0.58	1.05	1.48	0.09	0.18	0.12
Total Permanent Differences	D	0.58	(79.08)	(102.42)	(2.45)	0.18	0.12
Set off of Carry Forward of Unabsorbed depreciation and business loss	E	(10.06)	(139.99)	-	-	-	-
Timing Differences							
Difference between book depreciation and tax depreciation		(61.18)	(131.38)	(109.16)	(79.33)	(85.22)	(66.00)
Deductions/disallowances under section 43B/35D of the Income Tax Act		(0.33)	(0.44)	(0.57)	6.93	(0.14)	(0.56)
Other Adjustment		(7.69)	-	-	-	-	-
Total Timing Differences	F	(69.20)	(131.82)	(109.73)	(72.40)	(85.36)	(66.56)
Net Adjustment (D+E+F)	G	(78.68)	(350.89)	(212.15)	(74.85)	(85.18)	(66.44)
Tax Saving thereon (G * B)	H	(26.74)	(119.27)	(68.84)	(24.29)	(28.30)	(20.53)
Tax Liability (negative figures are considered zero) (C+H)	I	-	-	-	-	-	-
Tax Liability as per Minimum Alternate Tax under section 115JB of Income Tax Act	J	16.49	73.55	41.84	5.97	1.99	-
(including Surcharge and applicable cess)							
Current Tax Provision for the Year/ Period - Amount Higher of (I) or (J)	K	16.49	73.55	41.84	5.97	1.99	-
MAT Credit Entitlement		(16.49)	(55.42)	(20.86)	(5.97)	(1.99)	-
Total Current Tax		-	18.13	20.98	-	-	-

ANNEXURE 20 - RESTATED SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (AS18)

I	Name of the related parties	Names
	Category of related parties	
	Key management personnel - Executive	
1	Director	Mr. Aditya Gyanendra Bafna Mr. Shubhendra Kumar Bafna
2	Relatives of Key Management personnel	Late Mrs. Sumitra Bafna Mrs. Mamta Bafna
3	Holding company	Kalpataru Power Transmission Limited
4	Fellow Subsidiary	Saicharan Properties Limited JMC projects (India) Limited
5	Associate	Kalpataru Shubham Enterprises* Shree Pujiya Kripa Cold Storage LLP** Aditya Bafna HUF Gyanendra Bafna HUF Shubhendra Kumar Bafna HUF

*The Company has retired as a partner of Kalpataru Shubham Enterprise w.e.f. 27th April, 2013.

** The Company has retired as a partner from Shree Pujiya Kripa Cold Storage LLP w.e.f. 30.07.2013

Transactions with Related Parties in ordinary course of business are:

Sr. No.	Particulars	Relationship	For the six months ended 30th September 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011	For the year ended 31st March 2010
1	Sales and Services income							
	Kalpataru Power Transmission Limited	Holding company	-	-	0.15	0.52	0.06	0.04
	JMC projects (India) Limited	Fellow Subsidiary	-	-	-	-	0.03	-
2	Interest Received							
	Kalpataru Shubham Enterprises	Associate	-	-	0.33	0.30	2.50	-
3	Interest Paid							
	Kalpataru Power Transmission Limited	Holding company	34.59	102.62	126.22	111.03	70.78	42.61
4	Rent Paid							
	Kalpataru Power Transmission Limited	Holding company	-	-	0.18	0.17	0.15	0.15
	Saicharan Properties Limited	Fellow Subsidiary	-	0.01	0.01	0.00	-	-
5	Expenses Reimbursed for Intangible Asset							
	Kalpataru Power Transmission Limited	Holding company	-	-	31.41	-	-	-
6	Expenses Reimbursed							
	Kalpataru Power Transmission Limited	Holding company	-	-	-	0.48	0.52	-
7	Sale of Rights in Land							
	Kalpataru Shubham Enterprises	Associate	-	80.00	100.00	-	-	-
8	Net Loans taken/(repaid)							
	Kalpataru Power Transmission Limited	Holding company	-	(1,146.81)	651.01	29.30	171.50	419.47
9	Purchase of Land							
	Aditya Bafna HUF	Associate	-	7.29	-	-	-	-
	Gyanendra Bafna HUF	Associate	-	7.29	-	-	-	-
	Shubhendra Kumar Bafna HUF	Associate	-	7.29	-	-	-	-
	Sumitra Bafna	Relatives of KMP	-	7.10	-	-	-	-
	Mamta Bafna	Relatives of KMP	-	34.65	-	-	-	-
	Aditya Gyanendra Bafna	Key Managerial Personnel	-	2.43	-	-	-	-
	Shubhendra Kumar Bafna	Key Managerial Personnel	-	2.43	-	-	-	-
10	Salary & Commission							
	Aditya Gyanendra Bafna	Key Managerial Personnel	4.00	9.52	4.77	3.81	3.06	2.59
	Shubhendra Kumar Bafna	Key Managerial Personnel	3.00	8.50	4.17	2.99	2.22	1.86
11	Loss from partnership firm							
	Kalpataru Shubham Enterprises	Associate	-	-	0.01	0.02	0.02	-
	Shree Pujiya Kripa Cold Storage LLP	Associate	-	-	0.02	-	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

You should read the following discussion of our financial condition and results of operations in conjunction with the audited and restated financial information, including notes thereto and the examination report thereon, which appear in the sections titled 'Financial Statements' on page 237. Our audited financial statements, are prepared in accordance with the Indian GAAP and the relevant provisions of the Companies Act and restated pursuant to the SEBI Regulations and described in the auditor's report on the Restated Financial Statements dated January 7, 2015. Unless otherwise stated, the financial information in this section has been derived from the Restated Financial Statement of our Company. For the purpose of this discussion, references to Fiscal 2011, Fiscal 2012, Fiscal 2013 and Fiscal 2014 are to the 12 months period ended March 31, 2011, 2012, 2013 and 2014, respectively.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI Regulations.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the sections titled 'Risk Factors' and 'Forward-Looking Statements' on pages 17 and 16, respectively, of this Draft Red Herring Prospectus.

Overview

Our Company undertakes an array of activities in the post-harvest value chain for agri-commodities based on an integrated business model. Our activities include warehousing, procurement, primary processing, trading, collateral management, funding facilitation, funding, testing & certification, and pest management in relation to agri-commodities. Our activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Through our integrated business model, we believe that we are able to create value in the post-harvest value chain.

Our operations are focused on the Midstream Segment and wholesale distribution of agri-commodities and are aimed at enhancing value and efficiency for its participants primarily through aggregation of agri-commodities and our integrated business model. Our activities are broadly classified as follows: (i) warehousing services (dry and cold); (ii) commodities procurement, primary processing & trading; (iii) collateral management & funding facilitation; and (iv) testing & certification and pest management services. Each of these activities is synergistic with each other and provides our customers the convenience of availing various services under one roof. For further details about the Midstream Segment of the agriculture value chain, please see the section titled "Our Business" on page 153.

We leverage our wide network of warehouses and last mile access towards undertaking procurement, trading, and collateral management & funding facilitation activities, as well as primary processing activities. We believe that our ability to procure, store, preserve, and undertake primary processing as well as trade in agri-commodities allows us to function as a supply chain manager.

As a part of our warehousing services, we offer dry and cold storage space, which is supported with our weighment facilities. As of November 30, 2014, our Company manages and operates 149 warehouses through a hub and spoke model across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, with a total storage capacity of around 9.39 million sq. ft. in terms of storable floor plate area.

The warehouses operated by our Company are either owned (“**Owned Warehouses**”) or hired by our Company (“**Hired Warehouses**”) or are under a public-private-partnership (“**PPP**”) (“**PPP Warehouses**”). We manage and operate warehouses on a PPP basis pursuant to an arrangement with Rajasthan State Warehousing Corporation (“**RSWC**”), amongst others, as detailed below. Further, our Company is accredited with the National Commodities and Derivatives Exchange Limited (“**NCDEX**”) for providing warehousing and assaying services, and certain of our warehouses are registered with the Warehousing Development Regulatory Authority of India (“**WDRA**”), which enables us to issue negotiable warehouse receipts.

In relation to our procurement activities, we assist third-parties dealing in agri-commodities to procure physical stocks in large volumes within the specified price range and with uniformity in quality, from *mandis*, auction sites, farmers and traders & aggregators based on the quality and grades specified by our clients. We assist RSWC in fulfilling its obligations for procurement of agri-commodities.

We believe we have developed an understanding of certain agri-commodities and their demand-supply dynamics through our ‘on ground’ presence. Accordingly, our Company caters to the domestic and international markets for these commodities, which include cumin, mustard, bengal gram, ground nut, coriander, fenugreek and certain dry fruits. We believe that our procurement capabilities and in-house primary processing facilities add value to our domestic and international clients. Our Company is at an advanced stage of setting-up a primary processing plant at Netra, Rajasthan with modern equipment and technology. A total investment of ₹ 476.60 million is being made to set up this plant and it is expected to be commissioned before June 30, 2015. The plant, once operational, will be able to undertake primary processing of agri-commodities such as cumin, sesame and ground nut.

Further, our Company facilitates financing primarily against collateral of stocks stored in our warehouses, by acting either as a business facilitator or as a manager of the collateral or both. Moreover, our Company has recently acquired a non-banking financial company (“**NBFC**”), Punarvasu Holding and Trading Company Private Limited (“**PHTCPL**”) with the objective of directly providing funding facilities to market participants in the value chain for agri-commodities.

In addition to the above, our Company also offers testing & certification services, which helps in determination of quality of the agri-commodities we deal in. Our testing & certification services are offered through our: (a) Analysis and Certification Laboratory at Jodhpur, Basni Agricultural Produce Market Yard (“**Central ACL**”), which is ISO 9001 : 2008 and ISO / IEC 17025 : 2005 (NABL) certified, and (b) 36 satellite testing & certification laboratories across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra. Our Central ACL is accredited with NCDEX for providing assaying services. Further, our Company also offers pest management services, which helps in preserving and maintaining the life of the agri-commodities we deal in. Our Company has necessary equipment, facilities and license to provide pest management services at most of our warehouses.

Our revenue and EBITDA for the Fiscals 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014 is as mentioned below:

<i>(in ₹ million)</i>					
Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Total Revenue	1,365.95	2,039.53	2,432.14	3,779.76	1,399.22
EBITDA	180.27	238.20	403.41	666.68	279.50

Factors affecting our results of operations

Our financial condition and results of operations are affected by various factors of which the following are of particular importance. For further details in this regard and other factors affecting, amongst other things, our business, financial condition and results of operations, please see the section titled “*Risk Factors*” on page 17.

Utilization of our storage capacity, which depends on the availability of agri-commodities

The sub-optimal utilization levels of our storage capacity can adversely affect our Company's business, results of operation, financial condition and prospects. In the absence of business opportunities and warehousing demand, we may need to cease our operations at our warehouses, which may entail a termination or non-renewal of our arrangements in relation to our PPP Warehouses and Hired Warehouses.

Utilization level of our storage capacity is dependent upon numerous factors including the production and consumption levels of agri-commodities, other macro-economic factors, government policies, demand for warehousing services in the location, where are warehouses are situated, quality of our services, profile of customers, our credit rating, etc.

Production of agri-commodities and its availability for storage is linked to various factors, including conducive monsoon, weather conditions and natural disasters, change in cropping pattern, and fertility of land and other factors beyond the control of our Company.

Further, a large volume of the goods stored in our warehouses and certain other of our service offerings are in relation to the goods traded on the NCDEX. A decline in the trading volume or volume of trades culminating in physical delivery of stocks on the NCDEX, a termination of our accreditation with the NCDEX (or the NCDEX Agreement) or a failure in the operations of NCDEX, could affect our business.

Furthermore, if any sanctions or limits are imposed by the government or commodities exchanges on trading activity in agri-commodities, including holding limits, or any other factors, which limits such trading activities, it could affect our business.

Our ability to effectively implement our business and growth strategies

Our success will depend, in a large part, on our ability to effectively implement our business and growth strategies. As a part of these strategies, we are, amongst others, exploring opportunities for expanding our warehousing business in Rajasthan, Gujarat, Madhya Pradesh and Maharashtra; and foraying into the states of Andhra Pradesh, Telangana, Chhattisgarh and Uttar Pradesh. Furthermore, as an extension of our collateral management & funding facilitation business, our Company has recently acquired PHTCPL, an NBFC. The object of acquiring PHTCPL is to directly provide funding facilities to market participants dealing in agri-commodities against the collateral of stocks stored in our warehouses or warehouses approved by PHTCPL. Further, our Company is at an advanced stage of setting-up a primary processing plant at Netra, Rajasthan with modern equipment and technology. A total investment of ₹ 476.60 million is being made to set up this plant and it is expected to be commissioned before June 30, 2015. The plant, once operational, would be able to process agri-commodities such as cumin, sesame and ground nut and others such as fennel, fenugreek and coriander.

Our ability to execute these strategies in a timely manner and within budgeted estimates will be a critical factor in managing our business and growth strategies and therefore a key factor in our success going forward.

Further, our Company benefits from various subsidies from the Government including for the construction of warehouses and export benefits. Non granting of, changes in, withdrawal, or elimination of such subsidies can impact the cost for development of warehouses and primary processing plant.

Our ability to manage our indebtedness

As of September 30, 2014, our total secured and unsecured indebtedness (long term and short term, and including current maturities of long term debt) was ₹ 4,155.03 million. Certain of our financing agreements include conditions and restrictive covenants that require us to obtain consents from certain of our lenders prior to carrying out specified activities and entering into certain transactions. Under some of these financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times. The financing agreements that we are party to, or which we may enter into in the future, may be recalled or unilaterally terminated by our lenders or the lenders could decline to further lend to us under such agreements.

Further, these secured debt obligations are typically secured by a combination of security interests over our assets. In the event of our default our lenders may enforce the security, and in certain cases convert outstanding debt into equity or exercise their other rights.

Furthermore, our finance cost for Fiscal 2014 and the six months period ended September 30, 2014 was ₹ 257.28 million and ₹ 157.10 million, which constitutes 6.81% and 11.23%, respectively, of our total revenue for the same period. If we incur more debt or if there is an increase in the applicable interest rates for our existing debt, or a fall in our credit rating, our interest payment obligations will increase and we may become subject to additional conditions from lenders, including additional restrictions on the operation of our business.

Ability to raise debt and relationship with our lenders is key for our ongoing operations and expansion plans. For further details on our Company's indebtedness, please see the section titled "*Financial Indebtedness*" on page 317.

Our ability to respond effectively to competition

In relation to our warehousing services and other activities, we compete with state warehousing corporations, private warehousing service providers, numerous traders and aggregators, amongst others. Our competitors may also have a significant pricing and/or locational advantage in specific markets owing to various factors including differing scales of operations, the expanse of their geographic presence, the nature of their rights to operate their warehouses, and the sizes of their warehouses and units.

Further, if any of our competitors are able to emulate the PPP model we have with the RSWC, and enter into similar PPPs with any government agency or state warehousing corporation, it may compromise our market share and impact our business and financial condition.

Volatility of prices and other risks in relation to trading in agri-commodities

Our Company has developed an understanding in certain agri-commodities over the years. Accordingly, we leverage our warehousing network with our 'on ground' presence, last mile access, understanding of certain agri-commodities & their demand-supply dynamics and relations with market participants to undertake domestic and international trading activities in connection with our primary processing activities or as and when suitable market opportunities arise. In this regard, our trading activities are exposed to certain risks, including volatility in the prices of agri-commodities, default by the counter-party (including in relation to payment of credit, and delivery or acceptance of goods, as the case may be) and foreign exchange (to the extent the activities are cross-border in nature).

Our PPP Warehouses and Hired Warehouses

122 out of 149 warehouses managed and operated by us, as on November 30, 2014, are our PPP Warehouses (under our RSWC MoU and RSAMB Agreements) or Hired Warehouses. These warehouses represent around 6.36 million sq. ft. (or 67.73%) of our total storage capacity in terms of storable floor plate area. For further details in relation to the RSWC MoU, RSAMB Agreements and PPP Warehouses, please see the section titled "*Our Business*" on page 153.

We continue to manage and operate our Hired Warehouses and PPP Warehouses in line with our ability to anticipate the demand for our warehousing services. Accordingly, our business prospects are contingent on our ability to procure such storage space and offer it to our customers.

Further, in the event that any such arrangement is terminated or not renewed, we will be required to expend time and financial resources to enter into alternative arrangements or identify suitable land to set up a warehouse, which may affect our business. Further, we may be unable to relocate a warehouse to an appropriate location in a timely manner, or at all, and a relocated warehouse may not be commercially viable.

Reliance on our key management personnel and employees

In order to successfully manage and expand our business, we are dependent on the services of key management personnel and skilled employees. Over the years, our employee benefit expense has been a significant component of our operating costs. In Fiscal 2014 and for the six month period ended on September 30, 2014, our employee benefit expense was ₹ 155.59 million and ₹ 91.35 million, which constitutes 4.12% and 6.53%, respectively, of our total revenue. Further, we experience significant attrition amongst our employees.

Our business, financial condition and results of operations are dependent on our ability to retain our key management personnel and employees.

Our Significant Accounting Policies

The financial statements of the Company have been prepared and presented under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014)), and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable.

For details regarding our significant accounting policies, please see the section titled “*Financial Statements*” on page 237. Indian GAAP requires that we adopt accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The preparation of our financial statements requires us to make difficult and subjective judgments in selecting appropriate estimates and assumptions, which affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

Financials of our Company for previous Fiscals considered for the restated financial statements have been reclassified wherever necessary to bring them in line with Schedule III of Companies Act, 2013. The major restatement include: (a) bifurcation of assets and liabilities into current and non-current portion; (b) debit balance in the statement of profit and loss disclosed under the head “Reserves and Surplus”; (c) sundry debtors replaced with trade receivables along with bifurcation between more than and less than six months (based on due date of payment); (d) “Capital advances” reclassified under “Long Term Loans & Advances”; and (e) enhanced disclosures for certain class of transactions / balances.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following significant accounting policies warrant additional attention:

a) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known or materialize.

b) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

c) Inventories

Inventories are valued at the lower of cost and the net realizable value. The cost of inventories is computed on specific identification basis.

d) Revenue Recognition

Warehousing services

Revenues from our warehouses services are recognized when services are rendered, which coincides with terms of agreement entered with customers and other entities.

Procurement services

Revenues from our procurement services are recognized when services are rendered, which coincides with terms of agreement entered with customers and other entities.

Testing & certification and pest management services

Revenues from our pest management services are recognized when services are rendered, which coincides with terms of agreement entered with customers and other entities.

Sale of product

Sales are recognized on transfer of risk and reward of ownership to the buyer, which generally coincides with the delivery of goods to buyer. Sales exclude value added tax.

Construction receipts

Revenue from construction contracts is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. When it is probable that total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

e) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted for at exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year except transactions covered by forward contract and differences are adjusted in the statement of profit and loss. In case of transactions covered by forward exchange contracts premium or discount is amortized as expenses or income over the life of the contract.

f) Retirement benefits

Gratuity liability is provided under a defined benefit plan, under SBI Life Cap Assurance Scheme of SBI Life Insurance under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary.

Contribution to provident fund, a defined contribution plan is charged to the statement of profit and loss.

Provision for leave encashment liability is made on actuarial valuation as at the date of the Balance Sheet Date.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

g) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

h) Capital Work-in-Progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

i) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss.

j) Depreciation

Up to March 31, 2014, the depreciation on tangible assets is provided using straight line method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. However in case of vehicles, fumigation covers and dunnage, depreciation is provided at a rate of 15%, 20% and 33.33% respectively.

With effect from April 1, 2014, depreciation is provided based on useful life prescribed under schedule II of the Companies Act, 2013, except in case of fumigation covers and dunnage. Depreciation in case of fumigation covers and dunnage is provided considering useful life as 5 years and 3 years, respectively. The carrying amount as on April 1, 2014 is depreciated over the remaining useful life of an asset in accordance with the requirements of schedule II of the Companies Act, 2013.

Intangible assets are amortized equally over a period of 5 years from the date of acquisition.

k) Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and recognized in compliance with accounting standard no. AS-28 notified under the Companies (Accounting Standards) Rule 2006.

l) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and that probability requires an outflow of resources.

Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets

Contingent Assets are neither recognized nor disclosed in the financial statements.

m) Government Grants and Subsidies

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants and subsidies will be received. Grants and subsidies, whose primary condition for the Company to purchase, construct or otherwise acquire capital assets, are presented by deducting them from the carrying value of the assets. The grants and subsidies are recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

n) Trade Receivable and Trade Payable

Trade receivables and trade payables as at the end of the year are disclosed net of advances relating to the respective customers and vendors.

o) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets arising on account of unabsorbed losses or unabsorbed depreciation are recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence; and deferred tax assets arising on account of other timing differences are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Changes in Accounting Policies in the last three years

Accounting of Inventories

With effect from Fiscal 2013, the Company has changed its method of valuation of inventories from first in first out to specific identification method to adopt more appropriate method in the line of the trading activities of the Company. The value of the inventories for the earlier period is recalculated in accordance with the specific identification method and adjustments have been made in the respective years to which they relate and for Fiscal 2009 is adjusted against opening balance of reserve.

Our Business Segments

The Company undertakes an array of activities in the post-harvest value chain for agri-commodities based on an integrated business model. Our activities include warehousing, procurement, primary processing, trading, collateral management, funding facilitation, testing & certification, and pest management in relation to agri-commodities. The Company has only one reportable segment which is, integrated post-harvest management solutions. Hence, the financial statements are reflective of the information required by AS-17 of the Indian GAAP as specified under the Companies Act, 1956 (which is deemed to be applicable post April 1, 2014, in terms of section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).

The following table summarizes total revenue and profit before tax for Fiscals 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014:

(in ₹ million)

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Total Revenue (A)	1,365.95	2,039.53	2,432.14	3,779.76	1,399.22
Total Expenses (B)	1,346.13	2,009.71	2,223.03	3,428.87	1,320.54
Profit before Tax (C = A - B)	19.82	29.82	209.11	350.89	78.68

Results of our Operations

The following table provides certain information with respect to the results of our operations for Fiscals 2011, 2012, 2013, 2014 and for the six months period ended September 30, 2014 (as an absolute figure and as a percentage to our total revenue of that period):

(in ₹ million)

Particulars	Fiscal 2011		Fiscal 2012		Fiscal 2013		Fiscal 2014		Six months period ended September 30, 2014	
	₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue
Warehousing Services	163.32	11.96%	236.84	11.61%	288.34	11.86%	623.23	16.49%	487.91	34.87%
Commodities										
Procurement, Primary Processing and Trading Activities*	1,139.93	83.45%	1,724.31	84.54%	1,997.4	82.13%	3,045.63	80.58%	898.05	64.18%
Collateral Management and Funding Facilitation Activities	16.63	1.22%	12.33	0.60%	18.48	0.76%	13.25	0.35%	6.35	0.45%
Testing & Certification and Pest Management Services**	4.49	0.33%	9.46	0.46%	9.48	0.39%	11.67	0.31%	6.52	0.47%
Construction Receipts	35.98	2.63%	46.66	2.29%	5.12	0.21%	NA	NA	NA	NA
Total Revenue from Operations (I)	1,360.35	99.59%	2,029.60	99.51%	2,318.82	95.34%	3,693.78	97.73%	1,398.83	99.97%
Other Income (II)	5.60	0.41%	9.93	0.49%	113.32	4.66%	85.98	2.27%	0.39	0.03%
Total Revenue (A = I + II)	1,365.95	100%	2,039.53	100%	2,432.14	100%	3,779.76	100%	1,399.22	100%
EBITDA	180.27	13.20%	238.20	11.68%	403.41	16.59%	666.68	17.64%	279.50	19.98%
Total Expenses (B)	1,346.13	98.55%	2,009.71	98.54%	2,223.03	91.40%	3,428.87	90.72%	1,320.54	94.38%
Profit before Tax (C = A - B)	19.82	1.45%	29.82	1.46%	209.11	8.60%	350.89	9.28%	78.68	5.62%
Tax Expense (D)	5.82	0.43%	9.07	0.44%	55.10	2.27%	114.33	3.02%	29.62	2.12%
Net Profit (E = C - D)	14.00	1.02%	20.75	1.02%	154.01	6.33%	236.56	6.26%	49.06	3.51%

* Income from sale of trading products (including primary processed goods) + procurement income + export benefits (classified as other operating income).

** Income from testing & certification and pest management services + sample sale income (classified as other operating income).

Principal Components of our Statement of Profit and Loss

Revenue

Our revenue consists of: (I) Revenue from operations; and (II) other income.

I. Revenue from operations

Our revenue from operations comprises of income from: (a) warehousing services, (b) commodities procurement, primary processing and trading activities, (c) collateral management & funding facilitation activities, (d) testing & certification and pest management services, and (e) construction receipts.

A notable share of our warehousing revenue results from our PPP with the RSWC and accreditation with NCDEX. In view of our PPP arrangement with the RSWC, the billing mechanism for the services rendered from the warehouses covered under the revenue sharing arrangement under the RSWC MoU (i.e. the RSWC Warehouses and SSL Warehouses, which represent 75 of our PPP Warehouses, 12 of our Owned Warehouses and 30 of our Hired Warehouses in Rajasthan), is based on a number of factors. These factors include the type of service rendered, whether the goods in concern have been transacted on the NCDEX, the end-customer, and whether the services are rendered at a RSWC Warehouse or SSL Warehouse. These factors determine whether RSWC or our Company will raise the invoice on the customer.

a. Warehousing service

Revenue from our warehousing service includes income earned from our (i) storage service, and (ii) weighment service.

- i. Storage service: Revenue from our warehousing service is booked as and when the service is rendered based on our prevailing tariff rate. The tariff is based on the weight of the stock stored or the number of bags deposited. Further, the tariff may be on a per day or per month basis; however, in certain cases the duration may be subject to a minimum period. Further, in certain instances, we reserve storage space for our client(s), in which case we charge our client irrespective of actual utilization. The aforementioned criteria is subject to any specific terms we may have agreed with our client(s).

In relation to our PPP Warehouses, arrears in rent arise, as and when the concerned government agency increases the tariff with retrospective effect. These arrears in rent are accounted when the rate is revised and approved by the concerned government agency.

- ii. Weighment service: Revenue from our weighment service is charged on a per vehicle basis, depending upon the type of vehicle. However, charges for our weighment service may alternatively be included in the revenue collected towards our storage services.

b. Commodities procurement, primary processing and trading activities

Revenue from our commodities procurement, primary processing and trading activities includes income earned from our procurement services, and trading and primary processing activities.

Revenue from our procurement services is the commission / charge we earn for the goods procured on behalf of our customers. This commission / charge is levied as a percentage based on the value or is based on the volume of the goods procured.

Revenue from our trading and primary processing activities is the income received upon sale of agri-commodities (including primary processed goods), including dry fruits, spices and oil seeds. The revenue is booked at the time of the sale, and it factors the costs of any primary processing activities undertaken in respect of such goods, and also includes income from export benefits on account of various schemes such as duty drawback schemes, Focused Product Schemes (FPS), Focused Market Scheme (FMS), Duty Entitlement Pass Book (DEPB), Vishesh Krishi and Gram Udhog Yojana (VKGUY). In a manner consistent with Indian GAAP, the entire value of our trading and processing transaction is passed through as revenue in our books of accounts.

Our primary processing of agri-commodities is undertaken on a captive basis. In this regard, we have dedicated spaces at most of our Owned Warehouses. We also offer this space to our warehousing customers, who can undertake primary processing of their goods (grading and sorting) at the warehouse itself before storage; and we intend to offer such services in the future.

c. Collateral management and funding facilitation activities

Revenue from our collateral management and funding facilitation activities includes income earned from our collateral management services and the fee / commission earned for facilitation of loans.

Revenue from our collateral management services is the fee levied as a percentage of average monthly principal loan outstanding subject to the agreed minimum fee.

Commission earned from facilitation of loans is the percentage of average monthly principal outstanding of the loans facilitated.

d. Testing & certification and pest management services

Revenue from our testing & certification service is charged on a per sample basis, and includes revenue earned on account of sale of such samples after the agreed holding period thereof.

In relation to our pest management services, we periodically fumigate and undertake other disinfection measures for preserving and maintaining the life of the goods stored in most of our warehouses and the goods we otherwise deal in. At present, we do not separately book any revenue for our pest management services.

e. Construction receipts

We have earned revenue for construction of warehouses. We undertake such activity on a limited basis, as and when suitable opportunities arise. We have undertaken such activities during Fiscals 2013, 2012 and 2011 pursuant to the RSAMB Agreements we have entered into with the RSAMB. Under the RSAMB Agreements, our Company has constructed (on behalf of RSAMB) two cold storage warehouses in Rajasthan. At present, we are managing and operating these cold storage warehouses on behalf of RSAMB in terms of the RSAMB Agreements.

II. Other income

Other income consists of items such as interest income, profit on sale of fixed assets and net gain on exchange rate variation.

Amendments to the existing legal and regulatory framework and developments in commercial requirement, from time to time, amongst other factors, alter the business and operational dynamics for our Company. These factors include the town planning scheme, the taxes levied by local bodies, and local rules of the road transportation authorities, as applicable to a particular area. Pursuant to such considerations our Company may transfer, sell or relocate its fixed assets (including the land and building pertaining to our warehouses, in full or in part) to another location.

The following table summarizes our other income for Fiscals 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014:

<i>(in ₹ million)</i>					
Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Interest income	4.63	4.98	4.96	5.85	0.39
Profit on sale of fixed assets	Nil	2.54	103.90	80.13	Nil
Net gain on exchange rate	0.97	2.41	4.46	Nil	Nil

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
variation					
Total	5.60	9.93	113.32	85.98	0.39

Expenses

Our expenses comprise of (a) purchases of stock-in-trade and changes in inventories of stock-in-trade, (b) employee benefit expenses, (c) finance costs, (d) depreciation and amortisation expenses, and (e) other expenses.

The following table illustrates the breakup of our expenses (as an absolute figure and as a percentage to our total revenue of that period) for Fiscals 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014.

Particulars	(in ₹ million)									
	Fiscal 2011		Fiscal 2012		Fiscal 2013		Fiscal 2014		Six months period ended September 30, 2014	
	₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue	₹	% of Total Revenue
<i>Purchases of Stock-in-Trade*</i>	1,185.26	86.77%	1,643.66	80.59%	2,140.83	88.02%	2,547.40	67.39%	638.07	45.60%
<i>Changes in Inventories of Stock-in-Trade*</i>	(190.12)	(13.92%)	(176.10)	(8.63%)	(409.89)	(16.85%)	51.77	1.37%	131.54	9.40%
<i>Employee Benefit Expenses</i>	75.74	5.55%	80.35	3.94%	93.03	3.82%	155.59	4.12%	91.35	6.53%
<i>Finance Costs</i>	138.65	10.15%	181.25	8.88%	160.22	6.59%	257.28	6.81%	157.10	11.23%
<i>Depreciation and Amortisation Expenses</i>	21.80	1.60%	27.13	1.33%	34.08	1.40%	58.51	1.55%	43.72	3.13%
<i>Other Expenses</i>	114.80	8.40%	253.42	12.43%	204.76	8.42%	358.32	9.48%	258.76	18.49%
Total Expenses	1,346.13	98.55%	2,009.71	98.54%	2,223.03	91.40%	3,428.87	90.72%	1,320.54	94.38%

* includes primary processed goods

a. Purchases of stock-in-trade and changes in inventories of stock-in-trade

Purchases of stock-in-trade (includes primary processed goods) and changes in inventories of stock-in-trade account are in relation to our commodities procurement, primary processing and trading activities. These expenses include cost of goods purchased and related direct expenses. Inventories are valued at the lower of cost and the net realizable value. The cost of inventories is computed on specific identification basis.

b. Employee benefit expense

Employee benefit expense consists of salaries and wages, including charges paid to contractors in respect support staff and security personnel, contributions to provident and other funds and staff welfare expenses, including staff training and incentives.

c. Finance cost

Interest expenses include interest paid on loans, interest on working capital limits. Other borrowing costs relate to fees charged by banks for various transactions, including those related to processing fees towards loan facilities.

d. Depreciation and amortization expense

Depreciation expense comprises of depreciation of our buildings, plant and machinery, computers, furniture and fixtures, office equipment and vehicles. Amortization expense comprises of amortization of our intangible assets such as software and trademarks.

e. Other expenses

Other expenses pertains to, amongst others, godown rent, freight and forwarding expenses, loss on exchange rate variation, fumigation expenses, stores, spares and consumables, insurance, share paid to Rajasthan State Warehousing Corporation, electricity expenses, office and other rent, legal and professional charges, repairs and maintenance, construction expenses.

The following is a description of the pertinent items under this account:

- Godown rent pertains to rent or share of revenue paid in relation to our Hired Warehouses. We endeavour to maintain flexibility for exiting from the hiring arrangement for our Hired Warehouse, depending on its commercial viability. However, in certain cases the arrangement may be subject to a lock-in provision.
- Stores, spares and consumables pertain to, amongst others, packaging material, lab consumables, *etc.* for our warehousing services and commodities procurement, primary processing and trading activities.
- Share paid to RSWC pertains to the consideration paid under the RSWC MoU. This amount generally varies from one period to another owing to the billing arrangement under the RSWC MoU, which is based on a number of factors, including the type of service rendered, whether the goods in concern have been transacted on the NCDEX, the end-customer, and whether the services are rendered at a RSWC Warehouse (i.e. certain of our PPP Warehouses in Rajasthan) or SSL Warehouse (i.e. our Owned Warehouses and Hired Warehouses in Rajasthan).
- Construction expense pertains to the cost incurred by us for construction of warehouses. We have undertaken such activity in the past pursuant to the RSAMB Agreement.

Tax expense

Current tax and MAT credit entitlement

Current taxes are paid in terms of the Income Tax Act, 1961. Further, we have been entitled to credit of Minimum Alternate Tax (MAT) (as defined under Section 115JB of the Income Tax Act, 1961).

MAT is a tax on book profits that was introduced by the Government of India starting in Fiscal 1997. MAT is applicable only if the tax payable under the MAT provisions is greater than the tax on taxable income calculated at the normal rates.

We have been paying MAT primarily on account of unabsorbed depreciation and carried forward business losses as per the Income Tax Act, 1961.

Deferred tax

Deferred tax arises from timing differences between book profits and taxable (accounting) profits that originates in one period and is capable of reversal in one or more subsequent periods. It is measured using tax rates and laws that have been enacted or substantively enacted as on the date of the balance sheet. We provide for deferred tax liability on such timing differences, subject to prudent considerations in respect of deferred tax assets. The significant timing differences include the difference in depreciation charged to the Statement of Profit and Loss and the depreciation claimed under the Income Tax Act, 1961 ("Income Tax Act"), the items of expenditure covered under sections 43B and 145A of the Income Tax Act and the unabsorbed depreciation and carried forward business losses.

Results of operations for six months period ended September 30, 2014

Major Factors

The following are some of the major factors, which impacted our results of operations during the six months period ended September 30, 2014:

- We witnessed an increase in the number of warehouses and total storage capacity operated and managed by us.
- There was growth in our procurement services in relation to our commodities procurement, primary processing and trading activities.
- There was a decline in our trading activities in relation to our commodities procurement, primary processing and trading activities.

Revenue

Our revenue for the six months period ended September 30, 2014 was ₹ 1,399.22 million primarily on account of:

Revenue from operations

a. Warehousing service:

Income from our warehousing service was ₹ 487.91 million.

b. Commodities procurement, primary processing & trading activities:

Income from our commodities procurement, primary processing & trading activities was ₹ 898.05 million.

c. Collateral management and funding facilitation activities:

Income from our collateral management and funding facilitation activities was ₹ 6.35 million.

d. Testing & certification and pest management services:

Income from our testing and certification services was ₹ 6.52 million.

Expenses

Our total expenses during this period were ₹ 1,320.54 million on account of:

a. Purchases of stock-in-trade and changes in inventories of stock-in-trade

Expenses for purchases of stock-in-trade and changes in inventories of stock-in-trade account for the goods traded were ₹ 769.61 million.

b. Employee benefit expense

Employee benefit expenses were ₹ 91.35 million.

c. Finance cost

Finance cost was ₹ 157.10 million.

d. Depreciation and amortization expense

Depreciation and amortization expense was ₹ 43.72 million. Our gross block increased from ₹ 2,979.21 million as at March 31, 2014 to ₹ 3,443.01 million as at September 30, 2014.

Further, certain subsidies, although sanctioned, were not disbursed to us in the six months period ended September 30, 2014. Our finance cost would have reduced during this period, if such subsidies had been disbursed to us in a timely manner.

e. *Other expenses*

Other expenses were ₹ 258.76 million, as a result of the following, amongst other, expenses:

- Godown rent was ₹ 91.64 million.
- Fumigation expenses were ₹ 23.72 million.
- Insurance expense was ₹ 19.73 million.
- Freight and forwarding expenses were ₹ 17.52 million.
- Stores, spares and consumables expenses were ₹ 18.40 million.

EBITDA, profit before tax, tax expense and net profit as restated

As a result of the above described factors, our EBITDA for this period was ₹ 279.50 million; profit before tax for this period was ₹ 78.68 million; and tax expense was ₹ 29.62 million. Consequently, our net profit as restated was ₹ 49.06 million.

Results of operations for Fiscal 2014 compared to Fiscal 2013

Major factors

The following are some of the major factors, which impacted our results of operations in Fiscal 2014:

- In line with our hub and spoke model, we witnessed an increase in the number of our Hired Warehouses, particularly in the states of Rajasthan and Gujarat.
- Commencement of our procurement services in relation to our commodities procurement, primary processing and trading activities.
- Increase in the volume of our commodities procurement, primary processing & trading activities, which was supported by improved margins.

Revenue

Our total revenue increased by ₹ 1,347.62 million or 55.41% from ₹ 2,432.14 million for Fiscal 2013 to ₹ 3,779.76 million for Fiscal 2014. This increase was a result of:

I. *Revenue from operations*

a. *Warehousing services:*

Income from our warehousing services increased by ₹ 334.89 million or 116.14% from ₹ 288.34 million for Fiscal 2013 to ₹ 623.23 million for Fiscal 2014. The increase was primarily on account of an increase in the number of our Hired Warehouses. Further, five of our Owned Warehouses commenced operations in Fiscal 2014 or towards the end of Fiscal 2013. Thus, revenue from these Owned Warehouses was earned for: (a) the entire Fiscal 2014 (as against a part of Fiscal 2013); or (b) revenue from these Owned Warehouses was earned only in part of Fiscal 2014.

b. *Commodities procurement, primary processing & trading activities:*

Income from our commodities procurement, primary processing & trading activities increased by ₹ 1048.23 million or 52.48% from ₹ 1,997.40 million for Fiscal 2013 to ₹ 3,045.63 million for Fiscal 2014. This increase was primarily resulted from an increase in income from our trading and primary processing activities by ₹ 1,010.66 million 50.85% from ₹ 1,987.43 million for Fiscal 2013 to ₹ 2,998.09 million for Fiscal 2014 on account of an increase in goods sold. Exports increased from ₹ 409.74 million in Fiscal 2013 to ₹ 678.79 million in Fiscal 2014. There was an increase in the sales of almonds and certain other commodities. Further, the commencement of our procurement services, generated revenue of ₹ 39.95 million in Fiscal 2014.

c. *Collateral management and funding facilitation activities*

Income from our collateral management and funding facilitation activities decreased by ₹ 5.23 million or 28.30% from ₹ 18.48 million for Fiscal 2013 to ₹ 13.25 million for Fiscal 2014. This decrease was primarily a result of an increase in our business in relation to the goods traded on NCDEX and goods stored on behalf of government agencies. There are no opportunities for our collateral management and funding facilitation services in relation to such goods.

d. *Testing & certification and pest management services:*

Income from our testing & certification services increased by ₹ 2.19 million or 23.10% from ₹ 9.48 million for Fiscal 2013 to ₹ 11.67 million for Fiscal 2014. This increase was primarily a result of an increase in the number of samples tested in relation to the goods traded on NCDEX.

e. *Construction receipts:*

We did not earn any income from construction receipts in Fiscal 2014. We earned income on this account during the earlier Fiscals in relation to the RSAMB Agreements. Construction activity in relation to the RSAMB Agreements was completed during the earlier Fiscals.

II. *Other income*

Our other income decreased by ₹ 27.34 million or 24.13% from ₹ 113.32 million for Fiscal 2013 to ₹ 85.98 million for Fiscal 2014 in relation to fixed assets sold. The profit generated from the sale of fixed assets was ₹ 103.90 million in Fiscal 2013 and ₹ 80.13 million in Fiscal 2014 pursuant to a separate set of fixed asset being disposed off.

Expenses

Total expenses increased by ₹ 1205.84 million or 54.24%, from ₹ 2,223.03 million for Fiscal 2013 to ₹ 3,428.87 million for Fiscal 2014. This increase was a result of:

a. *Purchases of stock-in-trade and changes in inventories of stock-in-trade*

Expense for purchases of stock-in-trade and changes in inventories of stock-in-trade increased by ₹ 868.23 million or 50.16% from ₹ 1,730.94 million for Fiscal 2013 to ₹ 2,599.17 million for Fiscal 2014, owing primarily to an increase in our imports in relation to our commodities procurement, primary processing & trading activities. There was an increase in import of dry fruits from ₹ 709.88 million in Fiscal 2013 to ₹ 1,082.03 million in Fiscal 2014. The purchase of various other commodities also increased from ₹ 182.30 million in Fiscal 2013 to ₹ 687.45 million in Fiscal 2014.

b. *Employee benefit expense*

Employee benefit expense increased by ₹ 62.56 million or 67.25% from ₹ 93.03 million for Fiscal 2013 to ₹ 155.59 million for Fiscal 2014 primarily as a result of an increase in our on-roll staff and employee force and security personnel, who are engaged through third-party contractors. This increase was pursuant to an increase in the number of our warehouses.

c. *Finance cost*

Finance cost increased by ₹ 97.06 million or 60.58% from ₹ 160.22 million for Fiscal 2013 to ₹ 257.28 million for Fiscal 2014 primarily as a result of five of our Owned Warehouses commenced operations in Fiscal 2014 or towards the end of Fiscal 2013. Hence, interest (on the loan taken towards financing the construction of these warehouses) was incurred for: (a) the entire Fiscal 2014 (as against a part of Fiscal 2013); or (b) expense from these Owned Warehouses was incurred only in part of Fiscal 2014. Prior to the commencement of operations of these warehouses, the interest during the construction period was capitalized. There was also an increase in relation to our long term and working capital loans.

Further, certain subsidies, although sanctioned, were not disbursed to us in Fiscal 2014. Hence, our finance cost would have reduced in Fiscal 2014, if such subsidies had been disbursed to us in a timely manner.

d. *Depreciation and amortization expense*

Depreciation and amortization expense increased by ₹ 24.43 million or 71.68% from ₹ 34.08 million for Fiscal 2013 to ₹ 58.51 million for Fiscal 2014. Our gross block increased by ₹ 355.95 million or 13.57% from ₹ 2,623.26 million as at March 31, 2013 to ₹ 2,979.21 million as at March 31, 2014. The increase in our depreciation and amortization expense was primarily a result of five of our Owned Warehouses commencing operations in Fiscal 2014 or towards the end of Fiscal 2013. Hence, depreciation in relation to such warehouses was incurred for: (a) the entire Fiscal 2014 (as against a part of Fiscal 2013); or (b) expense from these warehouses was incurred only in part of Fiscal 2014. The increase was also on account of amortization of software.

e. *Other expenses*

Other expenses increased by ₹ 153.56 million or 75.00% from ₹ 204.76 million for Fiscal 2013 to ₹ 358.32 million for Fiscal 2014 as a result of the following, *inter-alia*, expenses:

- Godown rent increased from ₹ 7.64 million for Fiscal 2013 to ₹ 88.25 million for Fiscal 2014. The increase of ₹ 80.61 million was on account of increase in the number of our Hired Warehouses.
- A net loss on exchange rate variation (in relation to our cross-border commodities procurement, primary processing & trading activities) of ₹ 28.98 million was incurred in Fiscal 2014.
- Stores, spares and consumables expenses increased from ₹ 10.67 million for Fiscal 2013 to ₹ 21.25 million for Fiscal 2014. The increase of ₹ 10.58 million was primarily on account of an increase in our overall business activity.
- Freight and forwarding expenses increased from ₹ 35.19 million for Fiscal 2013 to ₹ 45.49 million for Fiscal 2014. The increase of ₹ 10.30 million was on account of an increase in our cross-border commodities trading activities.
- Insurance expenses increased from ₹ 12.96 million for Fiscal 2013 to ₹ 18.63 million for Fiscal 2014. The increase of ₹ 5.67 million was primarily on account of an increase in the stock stored in our warehouse.

However, expense for the share paid to RSWC decreased from ₹ 20.85 million for Fiscal 2013 to ₹ 15.24 million for Fiscal 2014. Although there was a net increase in our income earned under the RSWC MoU, there was a decrease of Rs 5.61 million in the share paid to RSWC owing to the billing mechanism under the RSWC MoU. This decrease relates to a change in the mix of end-customer and commodities dealt with. For further details in relation to the billing mechanism under the RSWC MoU, please see the sub-section titled “*Principal components of our profit and loss*” above.

EBITDA

EBITDA increased from ₹ 403.41 million for Fiscal 2013 to ₹ 666.68 million for Fiscal 2014. As a percentage of our total revenue, our EBITDA increased from 16.59% for Fiscal 2013 to 17.64% for Fiscal 2014.

Profit before tax

Profit before tax increased from ₹ 209.11 million for Fiscal 2013 to ₹ 350.89 million for Fiscal 2014 due to the reasons mentioned above. As a percentage of our total revenue, our profit before tax increased from 8.60% for Fiscal 2013 to 9.28% for Fiscal 2014.

Tax expenses

Our tax expense increased from ₹ 55.10 million for Fiscal 2013 to ₹ 114.33 million for Fiscal 2014 due to an increase in profits, as stated above. Our effective tax rate for Fiscal 2013 was 26.35% % as compared to for Fiscal 2014 was 32.58%.

Net profit as restated

As a result of the foregoing factors, our net profit as restated increased by ₹ 82.55 million or 53.60% from ₹ 154.01 million for Fiscal 2013 to ₹ 236.56 million for Fiscal 2014. As a percentage of our total revenue, our net profit was 6.33% for Fiscal 2013 as compared to 6.26% for Fiscal 2014.

Results of operations for Fiscal 2013 compared to Fiscal 2012

Major factors

The following are some of the major factors, which impacted our results of operations in Fiscal 2013:

- In line with our hub and spoke model, we witnessed an increase in the number of the RSWC Warehouses (i.e. our PPP Warehouses) operated and managed by us pursuant to the RSWC MoU. Further, there was an improvement in the utilization level of the storage capacity at the RSWC Warehouses.
- Sale of certain fixed assets / land.
- Increase in the volume of our commodities procurement, primary processing & trading activities.
- Decrease in finance cost due to refinancing of existing loan facilities at a cheaper rate of interest.

Revenue

Our total revenue increased by ₹ 392.61 million or 19.25% from ₹ 2,039.53 million for Fiscal 2012 to ₹ 2,432.14 million for Fiscal 2013. This increase was a result of:

1. Revenue from operations

a. Warehousing service:

Income from our warehousing service increased by ₹ 51.5 million or 21.74% from ₹ 236.84 million for Fiscal 2012 to ₹ 288.34 million for Fiscal 2013 owing primarily to an increase in our tariff rates and an increase in the utilization level of our storage capacity in relation to the RSWC Warehouses (i.e. our PPP Warehouses). This utilization level increased from 94.56% in Fiscal 2012 to 101.62% in Fiscal 2013.

b. Commodities procurement, primary processing & trading activities:

Income from our *commodities procurement, primary processing & trading activities* increased by ₹ 273.09 million or 15.84% from ₹ 1,724.31 million for Fiscal 2012 to ₹ 1,997.40 million for Fiscal 2013. This increase primarily resulted from a rise in income from our trading and primary processing activities, which grew by ₹

269.37 million or 15.68% from ₹ 1,718.06 million for Fiscal 2012 to ₹ 1,987.43 million for Fiscal 2013 on account of increase in the volume of goods sold. Exports increased from ₹ 266.36 million in Fiscal 2012 to ₹ 409.74 million in Fiscal Year 2013. There was an increase in the sales of almonds and cumin seeds. The increase was also on account of an increase in Fiscal 2013 in the price of the commodities (as compared to Fiscal 2012).

c. *Collateral management and funding facilitation activities:*

Income from our collateral management and funding facilitation activities increased by ₹ 6.15 million or 49.88% from ₹ 12.33 million for Fiscal 2012 to ₹ 18.48 million for Fiscal 2013. This increase was primarily a result of an increase in the loans facilitated by us.

d. *Testing & certification and pest management services:*

Income from our testing & certification services marginally increased by ₹ 0.02 million or 0.21% from ₹ 9.46 million for Fiscal 2012 to ₹ 9.48 million for Fiscal 2013.

e. *Construction receipts:*

However, there was a decrease in our income from construction receipts by ₹ 41.54 or 89.03% from ₹ 46.66 million for Fiscal 2012 to ₹ 5.12 million for Fiscal 2013. We earned income on this account in relation to the RSAMB Agreements, and such construction activity was primarily undertaken during the earlier period of Fiscal 2011 and Fiscal 2012.

II. Other income

Our other income increased by ₹ 103.39 million or 1,041.19% from ₹ 9.93 million for Fiscal 2012 to ₹ 113.32 million for Fiscal 2013 in relation to fixed assets sold. The profit generated from sales of fixed assets was at ₹ 2.54 million in Fiscal 2012 and ₹ 103.90 million in Fiscal 2013 pursuant to a separate set of fixed asset being disposed off.

Expenses

Total expenses increased by ₹ 213.32 million or 10.61%, from ₹ 2,009.71 million for Fiscal 2012 to ₹ 2,223.03 million for Fiscal 2013. This increase was a result of:

a. *Purchases of stock-in-trade and changes in inventories of stock-in-trade*

Expense on account of purchases of stock-in-trade and changes in inventories of stock-in-trade increased by ₹ 263.38 million or 17.95% from ₹ 1,467.56 million for Fiscal 2012 to ₹ 1,730.94 million for Fiscal 2013 owing primarily to an increase in our commodities procurement, primary processing & trading activities. There was an increase in import of dry fruits from ₹ 108.84 million in Fiscal 2012 to ₹ 709.88 million in Fiscal 2013. This also corresponds with the increase in sale of almonds in Fiscal 2014 (as compared to Fiscal 2013), as stated above.

b. *Employee benefit expense*

Employee benefit expense increased by ₹ 12.68 million or 15.78% from ₹ 80.35 million for Fiscal 2012 to ₹ 93.03 million for Fiscal 2013 primarily as a result of an increase in our on-roll staff and employee force and security personnel, who are engaged through third-party contractors.

c. *Finance cost*

However, our finance cost decreased by ₹ 21.03 million or 11.60% from ₹ 181.25 million for Fiscal 2012 to ₹ 160.22 million for Fiscal 2013. This decrease primarily resulted from the refinancing of certain loans at a lower rate of interest and due to the periodical repayment of the principal amount of the loan.

Further, certain subsidies, although sanctioned, were not disbursed to us in Fiscal 2013. Hence, our finance cost would have reduced even further in Fiscal 2013, if such subsidies had been disbursed to us in a timely manner.

d. Depreciation and amortization expense

Further, depreciation and amortization expense increased by ₹ 6.95 million or 25.62% from ₹ 27.13 million for Fiscal 2012 to ₹ 34.08 million for Fiscal 2013. Our gross block increased by ₹ 832.69 million or 46.50% from ₹ 1,790.57 million as at March 31, 2012 to ₹ 2,623.26 million as at March 31, 2013. The increase in our depreciation and amortization expense was primarily a result of an increase in the number of our Owned Warehouses and amortization of our intangible assets (software).

e. Other expenses

Other expenses decreased by ₹ 48.66 million or 19.20% from ₹ 253.42 million for Fiscal 2012 to ₹ 204.76 million for Fiscal 2013 as a result of the following, amongst other, expenses:

- Construction expenses decreased from ₹ 50.68 million for Fiscal 2012 to ₹ 5.12 million for Fiscal 2013. We incurred such expenses in relation to the RSAMB Agreements. This decrease of ₹ 45.56 million was due to a substantial quantum of construction activity being undertaken during the earlier periods of Fiscal 2011 and Fiscal 2012.
- Share paid to RSWC decreased from ₹ 28.82 million for Fiscal 2012 to ₹ 20.85 million for Fiscal 2013. Although there was a net increase in our income earned under the RSWC MoU, there was a decrease of Rs 7.97 million in the share paid to RSWC owing to the billing arrangement under the RSWC MoU. This decrease relates to a change in the mix of end-customer and commodities dealt with.

The above decrease was offset by an increase in the following, amongst other, expenses:

- Rent towards office space increased from ₹ 4.03 million for Fiscal 2012 to ₹ 12.38 million for Fiscal 2013. The increase of ₹ 8.35 million was primarily on account of the rent paid for our corporate office in Mumbai and an increase in rent for our other offices.
- Fumigation expenses increased from ₹ 15.24 million for Fiscal 2012 to ₹ 21.27 million for Fiscal 2013. The increase of ₹ 6.03 million was due to the prevailing weather conditions, which led to an increase in our pest management services and an increase in the storage of commodities, which require greater fumigation.
- Electricity expenses increased from ₹ 8.61 million for Fiscal 2012 to ₹ 11.61 million for Fiscal 2013. The increase of ₹ 3.00 million was primarily on account of an increase in the electricity tariff rates.
- Insurance expenses increased from ₹ 8.91 million for Fiscal 2012 to ₹ 12.96 million for Fiscal 2013. The increase of ₹ 4.05 million was primarily on account of an increase in the stock stored in our warehouse.

EBITDA

EBITDA increased from ₹ 238.20 million for Fiscal 2012 to ₹ 403.41 million for Fiscal 2013. As a percentage of our total revenue, our EBITDA increased from 11.68% for Fiscal 2012 to 16.59% for Fiscal 2013.

Profit before tax

Profit before tax increased from ₹ 29.82 million for Fiscal 2012 to ₹ 209.11 million for Fiscal 2013 due to the reasons mentioned above. As a percentage of our total revenue, our profit before tax increased from 1.46% for Fiscal 2012 to 8.60% for Fiscal 2013.

Tax expenses

Our tax expense increased from ₹ 9.07 million for Fiscal 2012 to ₹ 55.10 million for Fiscal 2013 due to an increase in our profit before tax. Our effective tax rate for Fiscal 2012 was 30.42% as compared to for Fiscal 2013 was 26.35%.

Net profit as restated

As a result of the foregoing factors, our net profit as restated increased by ₹ 133.26 million or 642.22 % from ₹ 20.75 million for Fiscal 2012 to ₹ 154.01 million for Fiscal 2013. As a percentage of our total revenue, our net profit was 1.02% for Fiscal 2012 as compared to 6.33% for Fiscal 2013.

Results of operations for Fiscal 2012 compared to Fiscal 2011

Major factors

The following are some of the major factors, which impacted our results of operations in Fiscal 2012:

- The utilization level of storage capacity at the RSWC Warehouses (i.e. our PPP Warehouses).
- Increase in the volume of our commodities procurement, primary processing and trading activities.

Revenue

Our total revenue increased by ₹ 673.58 million or 49.31% from ₹ 1,365.95 million for Fiscal 2011 to ₹ 2,039.53 million for Fiscal 2012. This increase was a result of:

I. Revenue from operations

a. Warehousing service:

Income from our warehousing service increased by ₹ 73.52 million or 45.02% from ₹ 163.32 million for Fiscal 2011 to ₹ 236.84 million for Fiscal 2012 owing primarily to an increase in the number of our warehouses, reservations received from some of our clients, increase in business in relation to the goods traded on NCDEX and revenue from our RSWC Warehouses (i.e. PPP Warehouses pursuant to the RSWC MoU). Further, there was an increase in the utilization level of our storage capacity in relation to the RSWC Warehouses from 84.11% in Fiscal 2011 to 94.56% in Fiscal 2012.

b. Commodities procurement, primary processing & trading activities:

Income from our commodities procurement, primary processing & trading activities increased by ₹ 584.38 million or 51.26% from ₹ 1,139.93 million for Fiscal 2011 to ₹ 1,724.31 million for Fiscal 2012. This increase primarily resulted from a rise in income from our trading and primary processing activities by 51.22% from ₹ 1,136.15 million for Fiscal 2011 to ₹ 1,718.06 million for Fiscal 2012 on account of growth in the volume of goods sold. Exports increased from ₹ 61.19 million in Fiscal 2011 to ₹ 266.36 million in Fiscal 2012. There was an increase in the sales of ground nuts.

The increase was also on account of an increase in Fiscal 2012 in the price of the commodities (as compared to Fiscal 2011).

c. Collateral management & funding facilitation activities:

Income from our collateral management and funding facilitation activities decreased by ₹ 4.3 million or 25.86% from ₹ 16.63 million for Fiscal 2011 to ₹ 12.33 million for Fiscal 2012. This decrease was primarily a result of an increase in our warehousing services for goods traded on NCDEX and goods stored on behalf of government agencies. There are relatively less opportunities for our collateral management and funding facilitation services through banks in relation to such goods.

d. *Testing & certification and pest management services:*

Further, income from our testing & certification services increased by ₹ 4.97 million or 110.69% from ₹ 4.49 million for Fiscal 2011 to ₹ 9.46 million for Fiscal 2012. This increase was in conjunction with an increase in our warehousing services and due to an increase in the number of samples tested in relation to the goods traded on NCDEX.

e. *Construction receipts*

Income from construction receipts increased by ₹ 10.68 million or 29.68% from ₹ 35.98 million for Fiscal 2011 to ₹ 46.66 million for Fiscal 2012. We earned income on this account in relation to the RSAMB Agreements, and the increase was due to a greater quantum of construction being undertaken during Fiscal 2012 as compared to Fiscal 2011.

II. *Other income*

Our other income increased by ₹ 4.33 million or 77.32% from ₹ 5.60 million for Fiscal 2011 to ₹ 9.93 million for Fiscal 2012 primarily as a result of profit on sale of certain fixed assets of ₹ 2.54 million in Fiscal 2012, and an increase in the net gain on exchange rate variation

Expenses

Total expenses increased by ₹ 663.58 million or 49.30%, from ₹ 1,346.13 million for Fiscal 2011 to ₹ 2,009.71 million for Fiscal 2012. This increase was a result of:

a. *Purchases of stock-in-trade and changes in inventories of stock-in-trade*

Expense on account of purchases of stock-in-trade and changes in inventories of stock-in-trade increased by ₹ 472.42 million or 47.47% from ₹ 995.14 million for Fiscal 2011 to ₹ 1,467.56 million for Fiscal 2012 owing primarily to an increase in our commodities procurement, primary processing & trading activities. There was an increase in the purchase of ground nut from ₹ 176.74 million in Fiscal 2011 to ₹ 551.49 million in Fiscal 2012.

b. *Employee benefit expense*

Employee benefit expense increased by ₹ 4.61 million or 6.09% from ₹ 75.74 million for Fiscal 2011 to ₹ 80.35 million for Fiscal 2012 primarily as a result of an increase in our on-roll staff and employee force and security personnel, who are engaged through third-party contractors, and on account of annual pay revisions undertaken.

c. *Finance cost*

Finance cost increased by ₹ 42.6 million or 30.72% from ₹ 138.65 million for Fiscal 2011 to ₹ 181.25 million for Fiscal 2012 primarily as a result of certain of our Owned Warehouses commenced operations during the latter half of Fiscal 2011. Hence, interest (on the loan taken towards financing the construction of these warehouses) was incurred for: (a) the entire Fiscal 2012 (as against a part of Fiscal 2011); or (b) expense from these warehouses was incurred only in part of Fiscal 2012. Prior to the commencement of operations of these warehouses, the interest during the construction period was capitalized. There was an increase in relation to our working capital loans as a result of certain loans availed by the Company (owing to an increase in the overall business activities). There was an increase in relation to our working capital loans as a result of certain loans availed by the Company (owing to an increase in the overall business activities).

d. *Depreciation and amortization expense*

Depreciation and amortization expense increased by ₹ 5.33 million or 24.45% from ₹ 21.80 million for Fiscal 2011 to ₹ 27.13 million for Fiscal 2012.

Our gross block increased by ₹ 350.66 million or 24.35% from ₹ 1,439.91 million as at March 31, 2011 to ₹ 1,790.57 million as at March 31, 2012. The increase in our depreciation and amortization expense was primarily a result of certain of our Owned Warehouses having commenced operations during the latter half of Fiscal 2011. Hence, depreciation in relation to such warehouses was incurred for: (a) the entire Fiscal 2012 (as against a part of Fiscal 2011); or (b) expense from these warehouses was incurred only in part of Fiscal 2012.

e. *Other expenses*

Other expenses increased by ₹ 138.62 million or 120.75% from ₹ 114.80 million for Fiscal 2011 to ₹ 253.42 million for Fiscal 2012 as a result of the following, *inter-alia*, expenses:

- Freight and forwarding expenses increased from ₹ 8.04 million for Fiscal 2011 to ₹ 36.16 million for Fiscal 2012. The increase of ₹ 28.12 million was primarily on account of an increase in our cross-border commodities trading activities.
- In Fiscal 2012 we incurred expenses of ₹ 22.29 million on account of balances written off owing to an incidence of fraud involving one of our former employees. In this regard, we have filed an insurance claim and initiated legal proceedings against the former employee.
- Share paid to RSWC increased from ₹ 9.54 million for Fiscal 2011 to ₹ 28.82 million for Fiscal 2012. The increase of ₹ 19.28 million was primarily on account of an increase in business at our SSL Warehouses in Rajasthan (which are covered under the revenue sharing arrangement under the RSWC MoU) and an increase in relation to the goods traded on NCDEX.
- Construction expenses increased from ₹ 34.71 million for Fiscal 2011 to ₹ 50.68 million for Fiscal 2012. We incurred such expenses in relation to the RSAMB Agreements. This increase of ₹ 15.97 million was due to a greater quantum of construction activity being undertaken during Fiscal 2012 (as compared to Fiscal 2011).
- Fumigation expenses increased from ₹ 3.02 million for Fiscal 2011 to ₹ 15.24 million for Fiscal 2012. The increase of ₹ 12.22 million was due to the prevailing weather conditions, which led to an increase in our pest management services.
- Godown rent increased from ₹ 0.63 million for Fiscal 2011 to ₹ 9.78 million for Fiscal 2012. The increase of ₹ 9.15 million was primarily on account of an increase in the number of our Hired Warehouses.
- Stores, spares and consumables expenses increased from ₹ 3.83 million for Fiscal 2011 to ₹ 9.19 million for Fiscal 2012. The increase of ₹ 5.36 million was primarily on account of an increase in our overall business activity.

EBITDA

EBITDA increased from ₹ 180.27 million for Fiscal 2011 to ₹ 238.20 million for Fiscal 2012. As a percentage of our total revenue, our EBITDA decreased from 13.20% for Fiscal 2011 to 11.68% for Fiscal 2012.

Profit before tax

Profit before tax increased from ₹ 19.82 million for Fiscal 2011 to ₹ 29.82 million for Fiscal 2012 due to the reasons mentioned above. As a percentage of our total revenue, our profit before tax stayed fairly constant at 1.45% in Fiscal 2011 as compared to 1.46% in Fiscal 2012.

Tax expenses

Our tax expense increased from ₹ 5.82 million for Fiscal 2011 to ₹ 9.07 million for Fiscal 2012 and an increase in our profit before tax. Thus, our effective tax rate for Fiscal 2011 was 29.36% as compared to for Fiscal 2012 was 30.42%.

Net profit as restated

As a result of the foregoing factors, our net profit as restated increased by ₹ 6.75 million or 48.21% from ₹ 14.00 million for Fiscal 2011 to ₹ 20.75 million for Fiscal 2012. As a percentage of our total revenue, our net profit was fairly constant at around 1.02% during Fiscal 2011 and Fiscal 2012.

Liquidity and capital resources

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations and for capital expenditures. We have met these requirements through cash flows from operations as well as through borrowings and share capital infusion. As on September 30, 2014, we had ₹ 75.81 million in cash and bank balances, and ₹ 4,155.03 million from loan facilities (includes long term and short term loans (secured and unsecured)). For further details, please see the section titled “*Financial Statements*” on page 237.

We believe that our anticipated cash flow from operations, current debt facilities and our existing cash will be sufficient to meet our operating and capital expenditure requirements for Fiscal 2015.

Cash flows

The table below summarizes the statement of cash flows, as per our restated cash flow statements, for the years / period indicated:

<i>(in ₹ million)</i>					
Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
<i>Net Cash Flow from / (used in) Operating Activities (A)</i>	(89.32)	36.43	(83.06)	340.36	139.20
<i>Net Cash Flow from / (used in) Investing Activities (B)</i>	47.94	(418.61)	(788.88)	(699.42)	(456.14)
<i>Net Cash Flow from / (used in) Financing Activities (C)</i>	57.67	596.51	644.51	368.66	318.31
<i>Net Increase (or Decrease) in Cash and Cash Equivalents (I = A + B + C)</i>	16.29	214.33	(227.43)	9.60	1.37
<i>Cash and Cash Equivalent Opening Balance (II)</i>	3.73	20.02	234.35	6.92	16.52
<i>Cash and Cash Equivalent Closing Balance (III = I + II)</i>	20.02	234.35	6.92	16.52	17.89

Operating activities

For the six months period ended September 30, 2014, net cash generated from operating activities was ₹139.20 million and our restated profit before tax was ₹78.68 million. The restated profit before tax has been adjusted for the following: depreciation by ₹43.72 million, finance cost by ₹157.10 million, interest received by ₹0.39 million, unrealized exchange loss by ₹2.31 million, net increase in working capital of ₹82.22 million (includes adjustments for increase in trade and other receivables of ₹33.67 million, increase in loans and advances of ₹27.49 million, decrease in inventories of ₹129.94 million and decrease in trade payables of ₹151.00 million), and taxes paid by ₹60.00 million.

In Fiscal 2014, net cash generated from operating activities was ₹340.36 million and our restated profit before tax was ₹350.89 million. The restated profit before tax has been adjusted for the following: depreciation by ₹58.51 million, finance cost by ₹257.28 million, profit on sale of fixed assets by ₹80.13 million, interest received by ₹1.72 million, unrealized exchange gain by ₹5.21 million, net increase in working capital by ₹ 160.84 million (includes adjustments for decrease in trade and other receivables of ₹25.25 million, increase in loans and advances of ₹25.47 million, decrease in inventories of ₹44.72 million and decrease in trade payables of ₹205.34 million), and taxes paid by ₹78.42 million.

In Fiscal 2013, net cash used in operating activities was ₹83.06 million and our restated profit before tax was ₹209.11 million. The restated profit before tax has been adjusted for the following: depreciation by ₹34.08 million, finance cost by ₹160.22 million, profit on sale of fixed assets by ₹102.71 million, interest received by ₹1.75 million, unrealized exchange gain by ₹0.40 million, net increase in working capital by ₹ 365.77 million (includes adjustments for increase in trade and other receivables of ₹418.80 million, increase in loans and advances of ₹23.44 million, increase in inventories of ₹412.88 million and increase in trade payables of ₹489.35 million), and taxes paid by ₹15.84 million.

In Fiscal 2012, net cash generated from operating activities was ₹36.43 million and our restated profit before tax was ₹29.82 million. The restated profit before tax has been adjusted for the following: depreciation by ₹27.13 million, finance cost by ₹ 181.25 million, profit on sale of fixed assets by ₹2.54 million, interest received by ₹4.98 million, unrealized exchange loss by ₹1.09 million, net increase in working capital of ₹ 176.57 million (includes adjustments for increase in trade and other receivables of ₹137.84 million, decrease in loans and advances of ₹4.47 million, increase in inventories of ₹ 168.40 million and increase in trade payables of ₹125.20 million), and taxes paid by ₹18.77 million.

In Fiscal 2011, net cash used in operating activities was ₹89.32 million and our restated profit before tax was ₹19.82 million. The restated profit before tax has been adjusted for the following: depreciation by ₹21.80 million, finance cost by ₹138.65 million, interest received by ₹4.63 million, unrealized exchange gain / loss by ₹0.07 million, net increase in working capital of ₹ 257.28 million (includes adjustments for increase in trade and other receivables of ₹83.36 million, increase in loans and advances of ₹35.33 million, increase in inventories of ₹200.41 million and increase in trade payables of ₹61.82 million), and taxes paid by ₹7.75 million.

Investing activities

For the six months period ended September 30, 2014, net cash used in investing activities was ₹ 456.14 million. This reflected expenditure incurred towards purchase of fixed assets (net of subsidies) of ₹ 410.18 million and for increase in bank deposits under lien and balance of dividend account of ₹ 46.35 million, offset by interest received of ₹ 0.39 million. Our expenditure on fixed assets primarily included expenses for construction of warehouses and our proposed primary processing plant at Netra, Rajasthan.

In Fiscal 2014, net cash used in investing activities was ₹ 699.42 million. This reflected expenditure incurred towards purchase of fixed assets (net of subsidies) of ₹ 864.04 million and for increase in bank deposits under lien of ₹ 0.93 million, offset by sale of fixed assets of ₹ 160.34 million, sale of investments of ₹ 3.49 million and interest received of ₹ 1.72 million. Our expenditure on fixed assets primarily included expenses for construction of warehouses.

In Fiscal 2013, net cash used in investing activities was ₹ 788.88 million. This reflected expenditure incurred towards purchase of fixed assets (net of subsidies) of ₹ 842.05 million, for increase in bank deposits under lien of ₹ 0.07 million and purchase of investments of ₹ 0.22 million, offset by sale of fixed assets of ₹ 51.71 million and interest received of ₹ 1.75 million. Our expenditure on fixed assets primarily included expenses for acquisition of land and construction of warehouses.

In Fiscal 2012, net cash used in investing activities was ₹ 418.61 million. This reflected expenditure incurred towards purchase of fixed assets (net of subsidies) of ₹ 453.21 million, for and purchase of investments of ₹ 0.38 million, offset by sale of fixed assets of ₹ 28.36 million, decrease in bank deposits under lien of ₹ 1.64 million and

interest received of ₹ 4.98 million. Our expenditure on fixed assets primarily included expenses for acquisition of land and construction of warehouses, and purchase of software.

In Fiscal 2011, net cash generated from investing activities was ₹ 47.94 million. This reflected expenditure incurred towards purchase of fixed assets (net of subsidies) of ₹ 182.26 million, purchase of investments of ₹ 2.88 million and increase in bank deposits under lien of ₹ 0.43 million, offset by sale of fixed assets of ₹ 228.88 million, and interest received of ₹ 4.63 million. Our expenditure on fixed assets primarily included expenses for acquisition of land and construction of warehouses.

Financing activities

For the six months period ended September 30, 2014, net cash generated from financing activities was ₹ 318.31 million. We raised ₹ 328.85 million from proceeds from long term borrowings and ₹ 237.12 million from proceeds from short term borrowings, offset by ₹ 91.68 million for repayment of long term borrowings, ₹ 1.08 million for payment of dividend (including tax on dividend) and ₹ 154.90 million for finance cost (including capitalized interest).

In Fiscal 2014, net cash generated from financing activities was ₹ 368.66 million. We raised ₹ 351.00 million from issuance of 4.68 million equity shares, which was partially offset by issue expenses of ₹ 23.28 million, ₹ 449.00 million from issuance of compulsory convertible debentures, ₹ 1,223.22 million from proceeds from long term borrowings and ₹ 380.50 million from proceeds from loans from related party, offset by ₹ 138.59 million for repayment of long term borrowings, ₹ 1,527.31 million for repayment of loans to related party, ₹ 87.72 million for decrease in short term borrowings, ₹ 7.43 million for payment of dividend (including tax on dividend) and ₹ 250.73 million for finance cost (including capitalized interest).

In Fiscal 2013, net cash generated from financing activities was ₹ 644.51 million. We raised ₹ 49.09 million from long term borrowings, ₹ 1,302.40 million from proceeds from loans from related party and ₹ 272.95 million from short term borrowings, offset by ₹ 130.62 million for repayment of long term borrowings, ₹ 651.39 million for repayment of loans to related party, ₹ 24.87 million for dividend (including tax on dividend) and ₹ 173.05 million for finance cost (including capitalized interest).

In Fiscal 2012, net cash generated from financing activities was ₹ 596.51 million. We raised ₹ 160.00 million from issuance of 15.12 million equity and 0.88 million preference shares, ₹ 637.14 million from proceeds from long term borrowings, ₹ 1,031.90 million from proceeds from loans from related party and ₹ 21.16 million from short term borrowings, offset by ₹ 131.34 million for repayment of long term borrowings, ₹ 1,002.60 million from repayment of loans to related party, and ₹ 119.75 million for finance cost (including capitalized interest).

In Fiscal 2011, net cash generated from financing activities was ₹ 57.67 million. We raised ₹ 80.00 million from issuance of 7 million equity and 1 million preference shares, ₹ 697.00 million from related party loans, and ₹ 97.92 million from proceeds from short term borrowings, offset by ₹ 181.78 million for repayment of long term borrowings, ₹ 525.50 million for repayment of loans to related party, and ₹ 109.97 million for finance cost (including capitalized interest).

Capital expenditure

We intend to use ₹ 500 million from the Net Proceeds of the Fresh Issue for funding, *inter-alia*, our capital expenditure towards part financing the Project Cost of establishing new warehouses. For further details relating to our capital expenditure plans, please see the section titled “*Objects of the Offer*” on page 105.

For Fiscal 2012, Fiscal 2013, Fiscal 2014 and the six months period ended September 30, 2014, the cash flow for purchase of fixed assets (net of subsidies) as per our restated cash flow statement was ₹ 453.21 million, ₹ 842.05 million, ₹ 864.04 million and ₹ 410.18 million, respectively. The expenditure was primarily towards acquisition of land and construction activity towards expansion of our network of warehouses.

Financial Position and Principal Components of our Balance Sheet

The following table provides certain information with respect to our financial position for Fiscals 2011, 2012, 2013 and 2014 and for the six months period ended September 30, 2014:

(in ₹million)

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Share Capital (A)	420.00	580.00	580.00	626.80	626.80
Reserves and Surplus (B)	(37.00)	(23.22)	123.36	633.41	680.24
Total Liabilities (C)	1,720.83	2,539.80	4,107.78	4,365.49	4,762.64
Total Equity and Liabilities (I = A + B + C)	2,103.83	3,096.58	4,811.14	5,625.70	6,069.68
Non-current Assets (D)	1,504.16	1,961.58	2,990.92	3,923.66	4,388.63
Current Assets (E)	599.67	1,135.00	1,820.22	1,702.04	1,681.05
Total Assets (II = D + E)	2,103.83	3,096.58	4,811.14	5,625.70	6,069.68

Share capital and reserves and surplus

As of September 30, 2014, our share capital plus reserves and surplus stood at ₹ 1,307.04 million. Our share capital and reserves and surplus increased from ₹ 703.36 million in Fiscal 2013 to ₹ 1,260.21million in Fiscal 2014, partly on account of the investment made by Tano in our Company. For further details regarding our capital structure, please see the section titled “*Capital Structure*” on page 91.

Secured and unsecured borrowings

As of September 30, 2014, our total secured and unsecured indebtedness (long term and short term, and including current maturities of long term debt) as per our restated financial information were ₹ 4,155.03 million comprising of secured debt of ₹ 3,005.90 million and unsecured debt of ₹ 1,149.13 million. The secured debt consists of long term and working capital loans from banks. For further details relating to our indebtedness, please see the section titled “*Financial Indebtedness*” on page 317.

Secured borrowings

As of September 30, 2014, our secured long term loans (including current maturities) amounted to ₹ 2,457.29 million.

As of September 30, 2014, our secured (fund based) working capital loans amounted to ₹ 548.61 million.

Further, many of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. In particular, we must seek and obtain, prior written permission of one or more lenders to, amongst others,; alter our capital structure in any manner; reduce or dilute the shareholding of our Promoters or Promoter Group in the Company; undertake creation of subsidiaries or permit any company to become our subsidiary; create any further charge, lien or encumbrance on hypothecated assets or any part thereof; undertake any projects or implement any scheme of expansion or acquire fixed assets except those specified in the project report submitted to the banks.

Unsecured borrowings

As of September 30, 2014, our unsecured borrowing amounted to ₹ 1,149.13 million. This amount comprises of loans from our Promoter, KPTL, of ₹ 600.13 million, and compulsorily convertible debentures issued to Tano of ₹ 449.00 million. Further, we have one unsecured short-term loan from one bank amounting to ₹ 100.00 million.

For further details, please see the section titled “*Financial Indebtedness*” on page 317.

Tangible assets

Six months period ended September 30, 2014

The tangible assets (gross block) increased by ₹ 463.8 million or 15.85% from ₹ 2,926.35 million as at March 31, 2014 to ₹ 3,390.15 million as at September 30, 2014, primarily on account of construction of warehouse at Jalgoan, Maharashtra and Sagar and Ujjain in Madhya Pradesh.

Fiscal 2013 compared with Fiscal 2014

The tangible assets (gross block) increased by ₹ 354 million or 13.76% from ₹ 2,572.35 million as at March 31, 2013 to ₹ 2,926.35 million as at March 31, 2014, primarily on account of acquisition of land (for our primary processing plant at Netra, Rajasthan) and addition of our Owned Warehouse at Vidisha, Madhya Pradesh.

Fiscal 2012 compared with Fiscal 2013

The tangible assets (gross block) increased by ₹ 790.31 million or 44.35% from ₹ 1,782.04 million as at March 31, 2012 to ₹ 2,572.35 million as at March 31, 2013, primarily on account of:

- addition of our Owned Warehouses at the following locations: Dewas, Itarsi, Harda and Neemuch in Madhya Pradesh, and expansion of our Owned Warehouse at Deesa, Gujarat; and
- acquisition of land for construction of warehouses at the following locations: Latur, Nagpur and Jalgaon in Maharashtra, and Chomu in Rajasthan.

Fiscal 2011 compared with Fiscal 2012

The tangible assets (gross block) increased by ₹ 347.05 million or 24.18% from ₹ 1434.99 million as at March 31, 2011 to ₹ 1,782.04 million as at March 31, 2012, primarily on account of acquisition of land at the following locations for construction of warehouses: Neemuch, Ujjain, Vidisha, Harda, Itarsi, Dewas and Sagar in Madhya Pradesh, and Kota (Mandana) in Rajasthan.

Trade receivables

The following table indicates our: (a) total revenue for the period of, (b) trade receivables as at the end of, and (c) the number of trade receivables days for the period of, Fiscal 2011, 2012, 2013 and 2014 and the end of the six month period ended September 30, 2014:

(in ₹ million)					
Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Six months period ended September 30, 2014
Total Revenue	1,365.95	2,039.53	2,432.14	3,779.76	1,399.22
Total Receivables	187.27	323.76	705.07	624.74	602.40
No. of Trade Receivables Days	50	58	106	60	79

The amount of trade receivables as at September 30, 2014 was ₹ 602.40 million.

The amount of trade receivables decreased by ₹ 80.33 million or 11.39% from ₹ 705.07 million as at March 31, 2013 to ₹ 624.74 million as at March 31, 2014, primarily on account of quicker realization of receivables.

The amount of trade receivables increased by ₹ 381.31 million or 117.78% from ₹ 323.76 million as at March 31, 2012 to ₹ 705.07 million as at March 31, 2013, primarily on account of an increase in the quantity of goods sold, enhanced credit and delay in realization of receivables.

The amount of trade receivables increased by ₹ 136.49 million or 72.88% from ₹ 187.27 million as at March 31, 2011 to ₹ 323.76 million as at March 31, 2012, primarily on account of an increase in the quantity of goods sold, enhanced credit and delay in realization of receivables.

For the period for which the Restated Financial Statements have been presented, the only major write-off we have had was in Fiscal 2012 on account of a fraud of ₹ 22.29 million involving one of our former employees. In this regard, we have filed an insurance claim and initiated legal proceedings against the former employee.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities not provided for as of September 30, 2014 as per our restated financial information:

<i>(in ₹ million)</i>	
Particulars	Amount as on September 30, 2014
Bank guarantees issued	277.33
Claim against the Company not acknowledged as debt	10.09
Income tax disputes under appeal	52.05
Entry tax disputes under appeal	0.03

For further details, please see the section titled “*Financial Statements*” on page 237.

Off-Balance Sheet arrangements

As of September 30, 2014, we do not have any off-balance sheet arrangements or other relationships with any entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

For further details on related party transactions for the last five Fiscals and the six months period ended September 30, 2014, please see the section titled “*Financial Statements*” on page 237.

Quantitative and qualitative disclosure about market risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We are exposed to various types of market risks, in the normal course of our business. The following discussion and analysis, which constitute ‘forward-looking statements’ involve risk and uncertainties, and summarizes our exposure to different market risks.

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to the knowledge of the management of our Company, may be described as ‘unusual’ or ‘infrequent’.

2. Significant economic changes

Other than as mentioned under the heading entitled ‘*Factors Affecting Results of Our Operations*’ in this section, we do not believe that there are any other significant economic changes that materially affect or are likely to affect revenue from continuing operations.

3. Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified under the heading titled “*Factors affecting our results of operations*” and the uncertainties described in the section titled ‘*Risk Factors*’ on page 17. Except as described, there are no known factors, which we expect will have a material adverse impact on our revenues or income from continuing operations.

4. Market risks

Our operations are affected by market risks, which include demand and supply risks, credit risk, price volatility risk, foreign exchange risk, holding risk, delivery default risk, liquidity risk and interest rate risk. Each of these risks has been briefly dealt with below. For details, please see the section titled “*Risk Factors*” on page 17.

- a. *Demand and supply risk*: Our business is dependent upon the supply of agri-commodities and demand for our activities and services. Numerous factors, including factors, which are beyond our control, can impact the supply of agri-commodities and demand for our activities and services.
- b. *Credit risk*: One of the risks involved in relation to our business is the extension of credit to our customers for services rendered or goods sold and the uncertainty regarding the receipt of outstanding amounts, which, could result in a high level of outstanding receivables.

The risk will also be applicable to the lending activities of PHTCPL in view of defaults and non-payment by any of its borrowers (and other parties providing security in relation thereto).

- c. *Price volatility risk*: Our trading activities expose us to risk from volatility in the prices of agri-commodities. If our trading positions are not adequately hedged, it could result in a loss of investment.
- d. *Foreign exchange risk*: Our cross-border trading activities are exposed to foreign exchange risks.
- e. *Holding risk*: In relation to our trading activities, we may be compelled to hold physicals stocks of agri-commodities for a long duration, during which time the stocks may deteriorate in quality and lose value.
- f. *Delivery default risk*: We are exposed to default by our counter-parties (customers or suppliers) in delivery or acceptance of goods or service sold. This could, *inter-alia*, impact our ability to fulfill our obligations to other third-parties and expose us to monetary and reputational damages.
- g. *Liquidity risk*: We may not be able to manage our cash flows and working capital requirements efficiently, which may result in a liquidity crunch and impact our operations.

Further, in relation to our trading activity, there may not be sufficient liquidity in the market to purchase or liquidate stocks at efficient prices, which may result in losses.

In relation to PHTCPL, liquidity risk could arise due to a mismatch in its assets and liabilities of PHTCPL due to any or a combination of reasons such as, difference in the tenure of the assets *vis-à-vis* the liabilities, any early repayment requirements in relation to the liability, or any default in relation to the assets.

- h. *Interest rate risk*: Our finance cost constitutes a significant portion of our total revenue. If there is an increase in the applicable interest rates for our existing debt our interest payment obligations will increase.

With respect to PHTCPL, interest rate risk arises on account of fluctuations in cost of capital of PHTCPL (particularly in the interest rate at which it borrows money) and the interest rate at which PHTCPL lends to its borrowers and the resultant fluctuation in the interest rate margin.

Interest rates fluctuate on account of various market conditions, which are outside the control of the company.

5. Future relationship between costs and income

Other than as described in the section titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” on pages 17 and 285, respectively, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

6. *Material increases in net sales or revenue due to increased sales volume, introduction of new products or services, or increased sales prices*

Changes in revenues during the last four Fiscals are as explained the headings entitled ‘Results of operations for six months period ended September 30, 2014’, ‘Results of operations for Fiscal 2013 compared to Fiscal 2014’, ‘Results of operations for Fiscal 2012 compared to Fiscal 2013’ and ‘Results of operations for Fiscal 2012 compared to Fiscal 2011’ in this section.

7. *Total turnover of each major industry segment in which the our company operated*

Our Company undertakes an array of activities in the post-harvest value chain for agri-commodities based on an integrated business model under only one reportable segment.

8. *Status of any publicly announced new products or business segment*

Except for the acquisition of PHTCPL as a wholly owned subsidiary of our Company and as described in this section and the section titled “*Our Business*” on page 153, there are currently no publicly announced new products or business segments. For additional details about PHTCPL, please see the section titled “*Our Business*” on page 153 and “*History and Certain Corporate Matters*” on page 189.

9. *Seasonality of business*

Our business is seasonal as it is dependent on agricultural produce, which is affected by seasonality and other factors beyond our control. Further, our business is dependent on the state of economy and overall economic conditions prevailing both locally and globally. The level of our operations, income and profitability may be affected by these factors. For further details in this regard, please see the section titled “*Risk Factors*” on page 17.

10. *Supplier or customer concentration*

For further details in this regard, please see the section titled “*Risk Factors*” on page 17.

11. *Competitive conditions*

For further details in this regard, please see the sections titled “*Our Business*” and “*Risk Factors*” on pages 153 and 17, respectively.

12. *Significant developments after September 30, 2014*

To our knowledge and belief no circumstances other than those disclosed in this Draft Red Herring Prospectus, there is no development subsequent to September 30, 2014 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company except for the following:

1. Our Company has entered into an ‘agreement for provision of independent services as business correspondent’ dated December 3, 2014 with Yes Bank Limited to act as their business correspondent for facilitating loans. For further details, please see the section titled “*Our Business*” on page 153.
2. Our Company has entered into a ‘collateral management agreement’ dated December 19, 2014, to govern the terms on which our Company will provide collateral management services to PHTCPL.

3. Acquisition of PHTCPL as a wholly owned subsidiary of our Company. For additional details about PHTCPL, please see the sections titled “*Our Business*” and “*History and Certain Corporate Matters*” on pages 153 and 189, respectively.
4. PHTCPL has entered into an ‘e-pledge facilitation agreement’ dated February 5, 2015 with NCDEX to lend against the goods which can be traded on the NCDEX.
5. Our Company has established five Agri-Logistics Parks (i.e. our Owned Warehouses) at Jalgoan, Latur and Nagpur in Maharashtra, Kota (Mandana) and Chomu in Rajasthan. These warehouses are dry or cold storage warehouses and cumulatively represent a storage capacity of 0.62 million sq. ft. in terms of storable floor plate area.
6. On February 6, 2015, pursuant to conversion of 30 CCD's held by Tano, our Company allotted 2,327,876 Equity Shares to Tano pursuant to the Investment Agreement. For further details, please see the section titled “*Capital Structure*” on page 91.
7. On October 1, 2014, our Company has established the ESOP Scheme. As at December 31, 2014, a total of 545,590 options stand granted under the ESOP Scheme to some of the Directors and/or key managerial employees of the Company, who are eligible to participate in the scheme. For further details regarding the ESOP Scheme, please see the section titled “*Capital Structure*” on page 91.
8. Our Company has participated in a tender floated by the Odisha State Warehousing Corporation to operate and manage their warehouses on a PPP basis.
9. In relation to our cross-border commodities procurement, primary processing and trading activities with Amparo UAE General Trading LLC, we have terminated our long term agreement dated April 18, 2013, in order to retain greater commercially flexibility and now transact with Amparo UAE General Trading LLC on an individual order basis. For further details, please see the section titled “*Our Business*” on page 153.
10. The Articles of the Company have been revised and restated and adopted by our shareholders at their general meeting held on February 6, 2015. For details of the provisions of these revised and restated Articles, please see the section titled “*Main Provisions of the Articles of Association*” on page 465.
11. There has been a change in the Directors. Dr. Prakash Bakshi was appointed as a Director (Managing Director) on our Board with effect from October 1, 2014. The following three Directors have been appointed on our Board with effect from January 7, 2015: Dr. Bibhuti Bhusan Pattanaik, Mr. Ramalingam Ramaseshan and Ms. Preeti Kaushik Trivedi. Further, Mr. Ravindra Jain has resigned from our Board on January 1, 2015. For further details, please see the section titled “*Our Management*” on page 199.

FINANCIAL INDEBTEDNESS

As on December 31, 2014, our Company has total outstanding secured borrowings of ₹ 3,679.53 million, and unsecured borrowings of ₹ 717.51 million.

Set forth below is a brief summary of our Company's outstanding secured credit facilities as on December 31, 2014:

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
ICICI Bank Rupee loan facility agreement dated September 28, 2013, credit arrangement letter dated September 26, 2013	Term loan	600 (fund based)	600 (fund based)	ICICI Bank base rate plus nil spread % p.a., i.e., 10% and 0% p.a.	<u>Repayment schedule:</u> The drawn down amount to be repaid in 28 quarterly instalments on ballooning (step up method), after three year moratorium from the date of first disbursement. <u>Purpose:</u> For refinancing of promoter loan used for part financing of construction of warehouses, (excluding land cost), for storage of agri commodities. <u>Events of default:</u> Events of default under this facility include, among others: <ul style="list-style-type: none"> • cross default with respect to other indebtedness of our Company; • cessation of business • material adverse change <i>inter alia</i> in the business, operations, property and prospects of our Company • change in management control of our Company • material adverse qualification of accounts <u>Prepayment penalty:</u> Voluntary prepayment permitted with prepayment premium of 1.00% on the amount prepaid with 15 days notice. Mandatory prepayment to be made if our Company prepays other long term secured loans taken for the same purpose, this facility will be required to be prepaid on a prorate basis if being made from own resources.	Note 1
					No prepayment penalty shall be payable for	

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
Union Bank of India	Cash credit	200 (fund based)	192.37	Base rate plus 1%, i.e., 10.25% p.a. plus 1%	mandatory prepayment. <u>Penalties:</u> 2% p.a. above the applicable interest rate. <u>Repayment schedule:</u> On demand	Note 2
Undertaking dated September 11, 2014, sanction letters dated September 6, 2008, and November 6, 2009 modification letters dated March 24, 2009, January 10, 2011, March 4, 2011, September 13, 2013, December 27, 2013 and February 26, 2014 and December 11, 2014.	<i>Sub-limit under cash credit:</i> Packing credit	(45) (fund based)	0.00	Usual rate, which is base rate plus 1.25%, i.e., 10.25% p.a. plus 1.25% p.a.	<u>Events of default:</u> Not applicable <u>Prepayment penalty:</u> Nil	Note 3
	<i>Sub-limit within packing credit:</i> Packing credit foreign currency	(45) (fund based)	0.00	Pricing to be given by internal banking department	<u>Penalties:</u> Events of penalty include, among others, up to 2% p.a. penal interest to be charged on delayed submission of stocks/book debts/quarterly performance reports statements.	Note 4
	<i>Sub-limit within packing credit:</i> Foreign documentary bill purchase/ Foreign usance documentary bill purchase	(45) (fund based)	0.00	Usual rate, which is base rate plus 1.25%, i.e., 10.25% p.a. plus 1.25% p.a.		Note 5
	Bills discounted under letter of credit of prime bank	50 (fund based)	0.00	Base rate, i.e., 10.25% p.a. (outside fund based facility)	<u>Purpose:</u> Working capital facility	Note 6
	Letter of Guarantee	300 (non fund based)	170.49	Commission of 1% p.a. for guarantee up to ₹ 5 million and 0.50% p.a. for guarantee above ₹ 5 million.	<u>Purpose:</u> Guarantee	Note 7
	<i>Sub-limit under letter of guarantee:</i> Import / inland letter of credit (180/90 days)	(200) (non fund based)	18.36	Commission of 0.50% p.a.	<u>Purpose:</u> Import inland credit	Note 8
	<i>Sub-limit under letter of guarantee:</i> Buyers credit	(200) (non fund based)	0.00	Commission of 0.50% p.a.	<u>Purpose:</u> Buyers credit	

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
HDFC Bank Term loan agreement dated March 22, 2012 and sanction letter dated March 20, 2012 and sanction letter dated May 13, 2014	Term loan – 1	571 (fund based)	219.03	Base rate plus 0.25% p.a., i.e., 10% p.a plus 0.25% p.a.	<u>Events of default:</u> Events of default under this facility include, among others: <ul style="list-style-type: none"> • Our Company ceases or threatens to cease or carry on its business • If any circumstance or event occurs which would or likely to prejudicially or adversely affect in any manner the capacity of our Company to repay the loan or a part thereof • Our Company is in breach of any other loan/facility agreement with any other person 	Note 9
	Term loan – 2	80 (fund based)	28.57		<u>Repayment schedule:</u> Principal to be repaid in 17 quarterly installments commencing from March 31, 2012. Interest to paid on a monthly basis <u>Purpose:</u> Construction of dry and cold warehouses and setting up weigh bridges. <u>Repayment schedule:</u> Principal to be repaid in 20 quarterly installments after one year of the first disbursement. Interest to paid on a monthly basis. <u>Prepayment penalty:</u> The lender at its sole discretion and on such terms as to prepayment as it may prescribe, permit acceleration of equated monthly instalments or prepayment at the request of our Company. Our Company may prepay the entire outstanding borrowing, but not a part thereof, by giving to the lender notice of not less than 30 days in writing of our Company's intention	

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
					to prepay. Prepayment is not permitted to be made until six months after the availment of the borrowing. On every prepayment, fees of 1% of the total limits sanctioned to be levied. <u>Penalties:</u> 2% p.a. over and above normal interest rate penal interest to be charged for overdue delays. 18% p.a. penalty charged on default of any monies payable.	
	Over draft limit against fixed deposit	9 (fund based)	0.00	Fixed deposit rate plus 1.25% p.a., i.e., 8.75% plus 1.25% p.a.	<u>Repayment schedule:</u> Not applicable <u>Purpose:</u> To meet working capital requirement <u>Prepayment penalty:</u> Not applicable <u>Events of default:</u> Not applicable <u>Penalties:</u> 4% p.a. on overdue amounts.	Note 10
DCB Bank Sanction letter dated October 30, 2014 and letter	Short term loan against pledge of stock	100 (fund based)	28.82	Base rate, i.e., 10.85% p.a.	<u>Repayment schedule:</u> On demand <u>Prepayment penalty:</u> 2% on sanctioned limits, on	<u>Purpose:</u> Loan against stock receipt (warehouse finance) Note 11

Name of the Lender and documentation dated January 19, 2015	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
	Cash credit	100 (fund based)	89.01		out standing amount or prepaid amount, as applicable, subject to minimum of ₹ 10,000.	Note 12
	<i>Sub-limit under cash credit:</i> Packing credit 270 days/ packing credit in foreign currency 270 days	(45) (fund based)	0.00	To be decided by treasury & trade finance from time to time at the time of the transaction.	<u>Events of default:</u> Events of default under this facility include, among others: • Non-submission or delayed submission of stock/debtors statement	Note 13
	<i>Sub-limit under cash credit:</i> Foreign documentary bills purchase/foreign documentary usance bills purchase	(45) (fund based)	0.00	Base rate plus 1.65% p.a., i.e., 10.85% p.a. plus 1.65% p.a.	• Non-compliance with the terms of the facility sanctioned • Non-submission or delayed submission of financial statements/ renewal data <u>Penalties:</u> The penalties applicable to these facilities include 0.10% p.m., 0.20% p.q. or 2% p.a. of sanctioned limits, as applicable and subject to prescribed penalty limits.	Note 14
	Overdraft (including specified sub-limits)	50 (fund based)	0.00	Base rate, i.e., 10.85% p.a.	<u>Repayment schedule:</u> On demand or ninety days, whichever is earlier. <u>Purpose:</u> For running, maintenance and repairs of warehouses or capital expenditure on warehouses, general business expenses and allied purposes. <u>Events of default:</u> Events of default under this facility include, among others:	Note 15

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
					<ul style="list-style-type: none"> Non-compliance with the terms of the facility sanctioned Non-submission or delayed submission of financial statements/ renewal data <p><u>Prepayment penalty:</u> 2% on sanctioned limits, subject to minimum of ₹ 10,000.</p> <p><u>Penalties:</u> The penalties applicable to these facilities include 0.10% p.m., 0.20% p.q., or 2% p.a. of sanctioned limits, as applicable.</p>	
	Bank guarantee (performance)	150 (non-fund based)	29.20	Commission of 0.50% p.a.	<p><u>Events of default:</u> Events of default under this facility include, among others:</p> <ul style="list-style-type: none"> Invocation of bank guarantee/ devolvement of letter of credit Non-compliance with the terms of the facility sanctioned Non-submission or delayed submission of financial statements/ renewal data <p><u>Prepayment penalty:</u> Not applicable</p> <p><u>Penalties:</u> The penalties applicable to these facilities include 0.10% p.m., 2% p.a. of sanctioned limits or 2% p.a. over the prevailing base rate, as applicable.</p>	Note 16
	Sub-limit under bank guarantee: Letter of credit (inland/import 90/270 days)	(150) (non fund based)	82.67	Commission of 0.50% p.a. on opening the letter of credit	<p><u>Prepayment penalty:</u> Not applicable</p> <p><u>Penalties:</u> The penalties applicable to these facilities include 0.10% p.m., 2% p.a. of sanctioned limits or 2% p.a. over the prevailing base rate, as applicable.</p>	Note 17

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
					goods.	
	<i>Sub-limit under bank guarantee:</i> Letter of credit/ letter of undertaking for buyer's credit	(150) (non-fund based)	32.86	0.50% p.a., in addition to other charges.	<u>Repayment schedule:</u> On demand <u>Purpose:</u> For procurement of only raw materials.	Note 18
Yes Bank Master facility agreement dated September 20, 2012 and addendum to facility letter dated July 31, 2014	Cash credit	200 (fund based)	0.00	1.50% p.a. plus Yes Bank base rate, i.e., 1.50% p.a. plus 10.75% p.a.	<u>Repayment schedule:</u> On demand	Note 19
	<i>Sub-limit under cash credit:</i> Short term loan	(200) (fund based)	200	To be decided at the time of drawdown, i.e., 10.75%	<u>Events of default:</u> Events of default under this facility include, among others: • Change in ownership, management and/or control of our Company, including without limitation any change in the chief executive officer or the managing director, by whatever name called without prior consent of the lender	
	<i>Sub-limit under cash credit:</i> Pre/post shipment export credit (INR/foreign currency)	(200) (fund based)	0.00	To be decided at the time of drawdown	<u>Purpose:</u> For working capital	
	Bank guarantee (financial/ performance)	300 (non fund based)	138.29	Commission of 0.50% p.a. payable half yearly in advance	<u>Purpose:</u> Contract performance, submission to government bodies, commodity exchanges.	
	<i>Sub-limit of bank guarantee:</i> Letter of credit – sight/ usance	(200) (non fund based)	0.00	Commission of 0.50% p.a.	<u>Purpose:</u> For raw material and spares	
	<i>Sub-limit of bank guarantee:</i> LoU for buyer's credit	(200) (non fund based)	17.14	Commission of 0.50% p.a.	<u>Purpose:</u> For raw material and spares • Any other	

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
Yes Bank Loan agreement dated August 25, 2014 and credit facilities letter dated June 30, 2014	Long term loan <i>Sub-limit of long term loan:</i> Long term loan – 2	520 (fund based) (220) (fund based)	189.48 0.00	Yes Bank base rate plus spread, i.e., 10.75% p.a. and 0% p.a.	<p>event/material change which prejudicially alters the lender's interest or may have a material adverse effect.</p> <p><u>Prepayment penalty:</u> Not applicable</p> <p><u>Penalties:</u> Nil</p> <p><u>Events of default:</u> Events of default under this facility include, among others:</p> <ul style="list-style-type: none"> • Cross default to borrower's other material agreements and his other indebtedness • Change in material ownership, i.e., holding of KPTL goes below 51% of our Company's paid-up share capital. • Failure to get the facilities sanctioned by the lender rated by credit agencies within periods prescribed by the lender. • Any event notified by the lender which is likely to constitute a material adverse change, which shall have occurred (i) in the condition, <p><u>Repayment schedule:</u> Repayment in 32 quarterly installments after completion of a moratorium period of 24 months.</p> <p>Interest is payable monthly.</p> <p><u>Purpose:</u> Part financing/ reimbursement of expenditure towards setting up on an agro processing unit for processing of cumin seeds, ground nuts and sesame seeds in Netra, Jodhpur and setting up of cold storages/ dry warehouses in Rajasthan/ Gujarat/ other states.</p> <p><u>Prepayment penalty:</u> Our Company may prepay the entire loan amount at any time after the first spread reset date without any prepayment penalty.</p>	Note 20

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
					financial or otherwise, prospect or operations of our Company or any of our subsidiaries or affiliates, present or future or (ii) which may, in the sole opinion of the lender adversely affect the repayment of the facility amount. <u>Penalties:</u> Any default by our Company in the payment of dues, or of any of the terms and conditions of such borrowing would entail an additional interest charge of 2% p.a. on outstanding amount on the outstanding loan leviable from the date of default, without prejudice to the lender's rights available under the terms of the borrowing and on default/failure of the borrower to pay the same.	In other instances, a prepayment is permissible subject to a prepayment penalty of 1% of the outstanding facility amount. However, if there is an increase in costs on account of specified regulatory changes, our Company may prepay the loan without any penalty.
	<i>Sub-limit of long term loan:</i> Letter of credit sight/ usance (import/domestic)	(100) (non fund based)	18.79	Commission of 0.50% p.a.	<u>Repayment schedule:</u> On demand not exceeding 12 months <u>Purpose:</u> Import/ domestic of capital goods/ equipments <u>Prepayment penalty:</u> Not applicable <u>Repayment schedule:</u> On demand not exceeding 12 months <u>Purpose:</u> Capital goods <u>Prepayment penalty:</u> Not applicable	
	<i>Sub-limit of long term loan:</i> LoU for buyer's credit	(100) (non fund based)	0.00			
Yes Bank Loan Agreement	Long term loan	200 (fund based)	200	Yes bank base rate, i.e., 10.75% p.a.	<u>Repayment schedule:</u> 16 quarterly repayments commencing at the end of the 12 month moratorium period from the date of first disbursement.	Note 21 [^]

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
dated December 30, 2014 and sanction letter dated December 23, 2014					<p><u>Purpose:</u> To part fund construction and development of warehousing facilities (agri warehouses and cold stores) (including reimbursement of expenses already incurred) in the states of Maharashtra, Rajasthan and Madhya Pradesh</p> <p><u>Events of default:</u> Events of default under this facility include, among others:</p> <ul style="list-style-type: none"> • Non-compliance with the terms or obligations of the facility • Cross default in relation other material agreements and other indebtedness of our Company • Change in material ownership structure of our Company, where KPTL's holding falls below 51% of our Company's paid-up capital • Any event resulting in a material adverse change, which shall have occurred in the financial condition or otherwise, prospects or operations of our Company, subsidiaries or affiliates or which may, as per the lender, affect the repayment of the facility by our Company. <p><u>Prepayment penalty:</u> 0.5% of the loan amount prepaid.</p> <p>If the loan is repaid by our Company through internal accruals or equity infusion, there shall be no prepayment charges. However, if there is an increase in cost due to certain regulatory changes, our Company shall have the right to prepay the loan without any prepayment penalty.</p> <p><u>Penalties:</u> A default by our Company in the payment of dues, or of any of the terms and conditions of such borrowing would entail an additional interest charge of 2% p.a. on the outstanding loan, leviable from the date of default, without prejudice to the lender's rights available under the terms of the</p>	

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
Axis Bank					borrowing and on default/failure of the borrower to pay the same.	
Loan agreements dated March 22, 2012, for Harda, Itarasi, Neemuch, Sagar, Ujjain, and Dewas locations.	Term loan – 1 (Ujjain)	133.4 (including subsidy) (fund based)	127.78	Base rate plus 0.40%, i.e., 10.15% plus 0.40%	<u>Repayment schedule:</u> Repayment of principal in 32 quarterly installments after the applicable moratorium period.	<u>Purpose:</u> Construction of dry warehouse at Ujjain, Madhya Pradesh for storage of agricultural commodities.
Sanction letters dated March 9, 2012 and March 21, 2012	Term loan – 2 (Vidisha)	97.9 (including subsidy) (fund based)	93.92	Interest payable at monthly intervals.	Interest payable at monthly intervals.	<u>Purpose:</u> Construction of dry warehouse at Vidisha, Madhya Pradesh for storage of agricultural commodities.
	Term loan – 3 (Dewas)	149.6 (including subsidy) (fund based)	143.22	<u>Events of default:</u> Except in relation to the facilities for which loan agreements are pending execution, the events of default include, among others: • Our Company defaults in performing any of its obligations under the loan agreement or breaches any of the terms or conditions of the loan agreement or any other security documents or undertakings executed in favour of the lender.	<u>Purpose:</u> Construction of dry warehouse at Dewas, Madhya Pradesh for storage of agricultural commodities.	
	Term loan – 4 (Neemuch)	119.8 (including subsidy) (fund based)	114.77		<u>Purpose:</u> Construction of dry warehouse at Neemuch, Madhya Pradesh, for storage the of agricultural commodities.	
	Term loan – 5 (Itarasi)	96.9 (including subsidy) (fund based)	91.95	• If our Company ceases or threatens to cease to carry on business.	<u>Purpose:</u> Construction of dry warehouse at Itarasi, Madhya Pradesh, for storage of agricultural commodities.	
	Term loan – 6	108.5 (including	103.96	• If the loan or any part thereof is utilised for	<u>Purpose:</u> Construction of	

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
Sanction letters dated March 9, 2012 and June 18, 2013 [#]	(Sagar)	subsidy) (fund based)			any purpose other than the purpose for which such loan is applied for by our Company and sanctioned by the lender.	dry warehouse at Sagar, Madhya Pradesh, for the storage of agricultural commodities.
	Term loan – 7 (Harda)	81.7 (including subsidy) (fund based)	78.40		<u>Prepayment penalty:</u> In the event our Company prepays the loan, a prepayment penalty of 1.50% on the outstanding amount shall be levied. If such prepayment is made through cash accruals, no prepayment penalty shall be levied.	<u>Purpose:</u> Construction of dry warehouse at Harda, Madhya Pradesh, for the storage of agricultural commodities.
	Term loan – 8 (Latur)	166.8 (including subsidy) (fund based)	156.80			<u>Purpose:</u> Construction of dry warehouse at Latur, Maharashtra, for the storage of agricultural commodities.
	Term loan – 10 (Jalgaon dry)	111 (including subsidy) (fund based)	97.00		<u>Penalties:</u> The penalties payable are as below: • Non-payment of interest/ installment on due date shall attract penal interest of 2% p.a. on the overdue interest/ installment. • Breach of any financial covenant shall attract a penal interest of 1.00% p.a. on the outstanding term loans till the next review.	<u>Purpose:</u> Construction of dry warehouse at Jalgaon, Maharashtra for the storage of agricultural commodities.
	Term loan – 11 (Jalgaon cold)	134 (including subsidy) (fund based)	115.26			<u>Purpose:</u> Construction of dry and cold storage at Jalgaon, Maharashtra for the storage of agricultural commodities.
	Term loan – 12 (Nagpur dry)	137.8 (including subsidy) (fund based)	127.77			<u>Purpose:</u> Construction of dry storage at Nagpur, Maharashtra for the storage of agricultural commodities.
	Term loan – 13 (Nagpur cold) ^{##}	137.7 (including subsidy) (fund based)	23.80			<u>Purpose:</u> Construction of dry and cold storage at Nagpur, Maharashtra for the storage of agricultural commodities.

Name of the Lender and documentation	Nature of facility	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)*	Interest rate and commission (As on December 31, 2014)	Key terms and conditions of the borrowing	Details of the security**
Sanction letters dated March 9, 2012, July 9, 2012, June 18, 2013 and October 28, 2013	Term loan – 14 (Kota Mandana)	85.2 (fund based)	74.88			<i>Purpose:</i> Construction of cold storage at Kota, Rajasthan for storage of agricultural commodities as a part of the integrated cold chain including cold storage at Ranganjmandi, collection centres at Jodhpur, Jalore and Jhalawar and refrigerated vehicles.
Sanction letters dated March 9, 2012 and June 18, 2013	Term loan – 15 (Chomu-Amla)	85 (including subsidy) (fund based)	74.94			<i>Purpose:</i> Construction of cold storage at Chomu, Rajasthan for the storage of agricultural commodities.
Total amount outstanding as on December 31, 2014 (In ₹ million)			3,171.72 (fund based)			
			507.81 (non fund based)			

* The total amount outstanding amount for term borrowings, as on December 31, 2014, is exclusive of interest.

** Details of security as provided in the borrowing documentation.

^ As on December 31, 2014, the security for this long term loan has not been created and corresponding form for creation of change has not been filed with RoC.

#The facility sanctioned by Axis Bank as Term loan – 9 (Akola) was not availed by our Company and the facility stands canceled by the lender by its letter dated February 4, 2015.

The outstanding facility sanctioned by Axis Bank as Term loan – 13 (Nagpur cold) was fully liquidated and confirmed by the lender by its letter dated January 23, 2015.

Our Company has received two sanction letters dated December 23, 2014 from Yes Bank for borrowing facilities up to ₹ 942.10 million and ₹ 450 million respectively. Our Company has not availed any of these sanctioned facilities as on December 31, 2014.

Set forth below is a brief summary of our outstanding unsecured financial arrangements:

Name of the Lender and documentation	Nature of Loan	Sanctioned amount (in ₹ million)	Total outstanding amount as on December 31, 2014 (in ₹ million)	Interest rate (As on December 31, 2014)	Key terms and conditions of the borrowing
Kalpataru Power Transmission Limited Loan agreement dated April 10, 2013 and supplemental loan agreement dated June 13, 2013	Unsecured coprporate loan	1700	617.51, inclusive of interest	Lender's rupee cash credit rate plus 1% p.a., where lender's rupee cash credit rate is lender's lead bank base rate plus spread, i.e., 11.20% p.a. plus 1% p.a.	<u>Repayment schedule:</u> Payable after March 31, 2016 with repayment schedule as may be mutually agreed. <u>Purpose:</u> For use by the Company in present and future business <u>Events of default:</u> Not applicable <u>Prepayment penalty:</u> Not applicable <u>Penalties:</u> Not applicable
Yes Bank Limited [#] Sanction letter dated June 30, 2014	Short term loan	100	100, exclusive of interest	Yes Bank base rate, i.e., 10.75% p.a.	<u>Repayment:</u> Bullet repayment <u>Purpose:</u> To finance running, maintenance and repairs of warehouses or additional capex on existing agro warehouses/ cold storage projects. <u>Events of default:</u> Events of default under this facility include, among others: <ul style="list-style-type: none"> • Cross default to borrower's other material agreements and his other indebtedness • Change in material ownership, i.e., holding of KPTL goes below 51% of our Company's paid-up share capital. • Failure to get the facilities sanctioned by the lender rated by credit agencies within periods prescribed by the lender. <u>Prepayment penalty:</u> Not applicable <u>Penalties:</u> Additional interest and default interest at 2% p.a. or such other rate as the lender deems fit will be levied over above applicable rate of interest.

[#] Personal guarantee by Aditya Bafna and Shubhendra Kumar Bafna furnished in relation to this borrowing.

In addition to the unsecured borrowings set out above, our Company, as on December 31, 2014, has 100 CCDs outstanding amounting to ₹ 449 million issued in favour of Tano. The coupon rate on the CCDs is 4.009% payable annually. As on the date of the DRHP the total number of CCDs outstanding is 70.

Vehicle loans

We have entered into an aggregate of four arrangements with HDFC Bank Limited for vehicle loans for the purposes of financing the purchase of motor vehicles for our Company. The total sanctioned amount is ₹11.07 million and the total outstanding amount as on December 31, 2014 is ₹8.01 million. The rate of interest for the above vehicle loans varies from 10.06% p.a. to 10.25% p.a. and is repayable in monthly instalments. The vehicles acquired pursuant to these loans have been hypothecated with the respective lenders.

Corporate Actions:

Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities.

For instance, we may be required, under the terms of the financing arrangements to obtain consent of the lenders for the following actions:

- to alter our capital structure in any manner;
- to reduce or dilute the shareholding of our Promoters or Promoter Group in the Company;
- to undertake creation of subsidiaries or permit any company to become our subsidiary;
- create any further charge, lien or encumbrance on hypothecated assets or any part thereof;
- undertake any new projects or implement any scheme of expansion or acquire fixed assets except those projected in the submitted to the banks;
- availment of incremental debt.

Notes:

Note 1

- First pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.

Note 2

- First pari passu charge, shared with certain other banks, on entire stock and book debts of the Company
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 3

- Hypothecation of stock meant for export
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 4

- Hypothecation of stock meant for export
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 5

- Hypothecation of export bills
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 6

- Hypothecation of bills under letter of credit of prime banks
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 7

- First pari passu charge over current assets of the Company
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 8

- Hypothecation of goods procured under letter of credit and bill discounting
- Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganaganagar, Kota, Ramganjmandi, Unjha,

- Deesa and Rajkot.
Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna
- Note 9
- First pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriganganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.
 - Second pari passu charge, shared with certain other banks, on current assets of the Company, in the manner specified in the facility documentation.
 - Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna
- Note 10
- Fixed deposits
- Note 11
- Pledge of owned stock as per warehouse receipts furnished by the Company from time to time.
 - Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
 - Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna
- Note 12
- First pari passu charge, shared with certain other banks, on stocks of raw material, stocks-in-process, finished goods, stocks-in-transit, packing materials, stores and spares at all the Company premises where our Company stock is maintained or at such other places as may be notified, book debts, receivables and current assets of the Company.
 - Second pari passu charge, shared with another bank, on current assets of the Company.
 - Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas I
 - Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna
- Note 13
- First pari passu charge, shared with certain other banks, on raw materials, stocks-in-progress, finished goods, packing material, stores and spares meant for exports.
 - Second pari passu charge, shared with another bank, on current assets of the Company.
 - Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
 - Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna

Note 14

- First pari passu charge, shared with certain other banks on hypothecation of export documents as per confirmed orders, letters of credit and contracts.
- Second pari passu charge, shared with another bank, on current assets of the Company.
- Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 15

- Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 16

- Omnibus counter guarantee
- Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 17

- First pari passu charge on documents covering consignment of material purchased/imported under letter of credit accompanied by transport documents for inland and import letters of credit.
- First pari passu charge, shared with certain other banks, on stocks or books debts covered under the letters of credit.
- Second pari passu charge, shared with another bank, on current assets of the Company.
- Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
- Personal guarantee of Aditya Bafna and Shubendra Kumar Bafna

Note 18

- First pari passu charge, shared with certain other banks, on stocks of raw material, stocks-in-process, finished goods, stocks-in-transit, packing material, stores and spares, all book debts and other current assets of the Company.
- Second pari passu charge, shared with another bank, on current assets of the Company.
- Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar,

- Ujjain, Vidisha and Dewas
Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna

Note 19

- First pari passu charge, shared with certain other banks, on current assets of the Company;
- Second charge Second pari passu charge on movable and immovable assets of warehouses at Jodhpur, Merta, Bikaner, Sriranganganagar, Kota, Ramganjmandi, Unjha, Deesa and Rajkot.

Note 20

- Exclusive charge over the movable and immovable fixed assets of the Company situated at khasra no. 854/23, 27, 40, 41, 83, 84, 85, Netda scheme, gram Netada, Jodhpur, Rajasthan and movable fixed assets situated at this location.
- Exclusive charge on movable fixed assets at the following locations:
 - a) Jodhpur agro processing unit at khasra no. 854/23, 27, 40, 41, 83, 84, 85, Netda scheme, gram Netada, Jodhpur, Rajasthan; and
 - b) Cold storages / dry warehouses of the Company anywhere in India financed by Yes Bank.
- Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna

Note 21

- Second pari passu charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
- Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna.

Note 22

- Exclusive first charge on fixed movable and immovable assets situated at Chomu, Kota, Jalgaon, Latur, Nagpur, Itarsi, Harda, Neemuch, Sagar, Ujjain, Vidisha and Dewas
- Charge on fixed and current assets created out of other term loans extended by Axis Bank.
- Personal guarantee of Aditya Bafna and Shubhendra Kumar Bafna.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no winding up petitions, outstanding litigation, suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Subsidiary, Directors, Promoters and Group Entities or against any other person or entity whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) 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) against our Company other than unclaimed liabilities of our Company, and (iii) there are no defaults, non-payment or overdues of statutory dues, institutional or bank dues payable to instrument holders such as holders of any debentures, bonds and fixed deposits and arrears on cumulative preference shares, that could have a likely adverse effect on the financial performance of our Company as of the date of this Draft Red Herring Prospectus, and (iv) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiary, Directors, Promoters or Group Entities, and (v) no adverse findings in respect of our Company, Subsidiary, Directors, Promoters or Group Entities as regards compliance with securities laws, and (vi) in the last five years preceding the date of this Draft Red Herring Prospectus there have been (a) no instances of material frauds against our Company, (b) no past cases in which penalties have been imposed against our Corporate Promoter and Group Entities, (c) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company or our Subsidiaries and, no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company or our Subsidiaries, and (vii) no past cases in which penalties have been imposed against our Promoters (excluding Corporate Promoter) and our Directors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company and material developments

A. Outstanding litigation

Litigation against our Company

Criminal proceedings

There are no outstanding criminal proceedings initiated against our Company as on the date of this Draft Red Herring Prospectus.

Civil proceedings

1. Our Company has filed a writ petition dated May 6, 2009 before the Rajasthan High Court, Jaipur against the Board of Revenue, Revenue Appellate Authority, the Sub-Divisional Officer, Ramgarh, and others, challenging their orders dated April 1, 2009, August 20, 2008 and February 5, 2008, respectively, pursuant to which the revenue authorities had invalidated the transfer of land measuring 1.895 hectares situated at Ramgarh district Alwar, to our Company, alleging contravention of the Rajasthan Land Revenue (Conversion of Agricultural land for Non- Agricultural Purposes in Rural Areas) Act, 1992. Our Company has prayed *inter-alia*, for an order quashing the orders dated April 1, 2009, August 20, 2008, and February 5, 2008, and declaring the entire proceedings initiated by the Sub-Divisional Officer as illegal, arbitrary and unconstitutional, or in the alternative, remanding the case to the Sub-Divisional Officer, on the grounds that the order was passed without providing an opportunity to be heard. The High Court through its interim order dated May 11, 2009 granted an interim stay against the operation of the challenged orders. The matter is currently pending.
2. M/s. Endeavour Instruments Private Limited filed a summary suit dated December 23, 2011 against our Company before the City Civil Judge, Ahmedabad, alleging non-payment of dues amounting to ₹ 6.04

million outstanding to it towards purchase orders carried out, extra work carried out, replacement costs and other dues. The City Civil Judge through its order dated September 26, 2013 granted us leave to defend the suit subject to the condition that ₹ 2 million is deposited in court by our Company. Aggrieved by the same, our Company filed a writ petition dated October 23, 2013 before the Gujarat High Court praying that the condition so imposed be quashed. The Gujarat High Court, through its order dated January 21, 2014, set aside the order of the trial court to the extent of the condition stipulated and also directed the trial court to decide the matter as expeditiously as possible. The matter is currently pending.

3. M/s. Endeavour Instruments Private Limited filed a suit dated December 26, 2011 before the City Civil Judge, Ahmedabad against our Company, claiming damages of ₹ 3.5 million plus interest of 18% per annum and compensation of ₹ 0.5 million alleging *mala fide* in invocation of bank guarantees issued by them to our Company. Our Company in its reply dated January 18, 2012 has stated that the guarantees had been invoked due to breach of the terms and conditions in the purchase and work orders. The matter is currently pending.
4. Mr. K.C. Gupta filed an RTI application dated December 24, 2010 before the Public Information Officer of RSWC requesting for certain information in relation to RSWC and our Company. The information sought by the applicant included, *inter-alia*, operating business information pertaining to the MoU with RSWC, our Company's balance sheet, constitution, moveable and immoveable properties, total and authorized share capital, names of our Company's directors and their father's names, whether RSWC took legal or auditors' opinion as to whether it can enter into a business partnership with a private company, the details of certain charges paid by RSWC to our Company and of certain investments made by our Company in the warehouses of RSWC. RSWC in its letter dated January 25, 2011 sought our Company's permission in disclosing information pertaining to us. Our Company through its letter dated February 2, 2011 stated that if the information pertaining to it was disclosed its dealers, trade secrets, internal confidential information, and the clients' trust would be reduced. Subsequently, the said applicant filed an appeal before the First Appellate Authority which passed an order dated April 6, 2011 directing information in relation to RSWC and our Company to be provided to the said applicant. Aggrieved by this order passed by the First Appellate Authority, our Company filed an appeal dated July 1, 2011 before the Chief Information Commissioner challenging the same. However, since the office of the Commissioner was vacant, our Company filed a writ petition dated July 16, 2011 before the Rajasthan High Court. The High Court, pursuant to its order dated July 20, 2011 has stayed the operation of the order passed by the First Appellate Authority. The next date of hearing before the Rajasthan High Court is July 8, 2015 and before the Chief Information Commissioner is April 8, 2015.
5. Mr. Mahavir Prasad and Mr. Kamal Kumar filed an application dated May 2, 2013 under Section 136 of the Rajasthan Land Revenue Act before the Sub-Divisional Officer, Ramganjmandi, Kota district, against Mr. Durgalal, the State of Rajasthan through the Tehsildar, Ramganjmandi, and others to correct the entry in the revenue records in relation to the ownership of land bearing Khasra numbers 63 and 64, situated at Ramganjmandi, Kota district, Rajasthan. Our Company has been made a party to this application as it owns a part of the land at Khasra number 63. The matter is currently pending.
6. Mr. Prakashchand Bohra filed a suit dated August 14, 2012 against our Company before the Court of the District Judge, Kota for the payment of money for the repair of the road undertaken by him under a work order dated December 11, 2011. Our Company in its reply dated December 14, 2012 has stated that it had already paid ₹ 0.35 million that was due under the said work order and that no further sum was due from us to the plaintiff. Our Company has also claimed a sum of ₹ 0.1 million as compensatory costs under Section 35A, CPC. The total liability involved is ₹ 0.54 million including interest and expenses. The matter is currently pending.

Cases relating to taxation laws

Direct Taxes

1. Our Company has filed an appeal before the CIT (Appeals), Gandhinagar on April 29, 2013 against the order dated March 30, 2013 passed by the assessing officer disallowing the following deductions for the

assessment year 2010-11: (a) ₹ 68.89 million towards interest expenditure (b) ₹ 30 million towards expenditure borne by our Company under an income-sharing agreement (c) ₹ 28.67 million on the ground of suppression of closing stock (d) ₹ 12.97 million on the ground of a disproportionate increase in expenditure (e) ₹ 0.22 million towards expenditure incurred on a foreign tour. The estimated tax liability as per demand notice is ₹ 9.34 million plus penalty. Subsequently, our Company received a notice dated December 24, 2014 from the assessing officer directing the submission of certain documents towards the remand report required by the ACIT, Gandhinagar. Our Company has submitted the required documents along with its reply. In relation to the penalty imposed by the assessing officer, our Company in its reply to the assessing officer stated that it has neither concealed nor furnished inaccurate returns, that additions or disallowances have been made by the assessing officer without considering our bonafide explanations, and requested the assessing officer to either drop the proceeding in relation to imposition of penalty or wait till the appeal before the CIT (Appeals) was disposed. The matters are currently pending.

2. Our Company has filed an appeal before the CIT (Appeals), Gandhinagar on April 24, 2014 against the order dated March 24, 2014 passed by the assessing officer disallowing a deduction of ₹ 12.40 million for the assessment year 2011-12 on the ground that it is a disproportionate increase in expenditure not justified by it. The matter is currently pending.
3. Our Company has received certain computer-generated reports in relation to shortfall in TDS for several quarters of Fiscals 2007, 2009, 2010, 2011, 2012, 2013, 2014 and 2015. The amount determined to be payable by our Company under these reports is ₹ 3.75 million. Our Company is in the process of rectifying the returns.

Indirect Taxes

1. Our Company has filed an appeal before the Deputy Commissioner of Commercial Taxes, Appeals, Jodhpur on August 20, 2014 against the order dated July 11, 2014 passed by the Commercial Tax Officer, Anti-evasion, Abu road, imposing a penalty under Section 76(6) of the Rajasthan Value Added Tax Act, 2003 on the ground of failure to produce Form VAT-47 while transporting plastic goods, and directing that the goods shall not be separated in any way, including by way of rebooking and re-transporting and that the vehicle carrying the goods shall be parked at the office of the Commercial Tax Officer, Abu road. The liability involved is ₹ 0.34 million. The matter is currently pending.
2. The Assistant Commissioner, Department of Trade and Taxes, New Delhi through its order dated December 11, 2014 sealed the business premises of our Company situated at Delhi-NCR pursuant to Section 60 of the Delhi Value Added Tax Act, 2004 for the alleged delay in relation to production of books of accounts. Pursuant to the deposit of bank guarantee of ₹ 4.2 million and payment of VAT of ₹ 4.2 million, the Assistant Commissioner through his order dated December 13, 2014 passed an order desecaling the said premises.
3. The Assistant Commissioner, Department of Trade and Taxes, New Delhi issued a notice dated December 29, 2014 against our Company under Section 59(2) of the Delhi Value Added Tax Act, 2004, seeking the production of certain records in relation to the input tax credit claimed by our Company for the purchases it made from J.G. Tradex Private Limited. Our Company has filed revised returns on January 6, 2015. There has been no further communication from the Department of Trade and Taxes.
4. The Department of Trade and Taxes, New Delhi through an assessment order dated March 1, 2014 has directed our Company to pay a sum of ₹ 1.13 million towards tax and interest due under the Section 32(1) of the Delhi Value Added Tax Act, 2004 on the ground that the input tax credit claimed by our Company was excessive in relation to the output tax paid. Pursuant to another order dated March 1, 2014, the Department directed our Company to pay a penalty of ₹ 1.09 million on the same ground. Subsequently, our Company filed objections claiming that there is no mismatch between the input tax credit claimed and the output tax paid. The matter is currently pending.
5. Our Company received a show-cause notice dated February 10, 2015 from the Assistant Commercial Tax Commissioner, Gandhinagar in relation to assessment year 2010-11 informing us that our Company had

failed to appear before him as required under Form number 302 notice served earlier, and therefore directing our Company to show cause as to why best judgment audit assessment should not be carried out under which sales may be assessed at a higher amount, all input tax credit denied, and tax assessed as per the local rate instead of the CST rules.

Search Operations

A search operation was conducted by the Directorate of Revenue Intelligence (“DRI”) on August 12, 2014 at the Jodhpur office of our Company. The DRI personnel seized certain documents in relation to the import of watermelon seeds by our Company. As on the date of this Draft Red Herring Prospectus, no further communication has been received from the DRI in relation to the search conducted.

Litigation initiated by our Company

Criminal proceedings

1. Pursuant to the letter dated July 20, 2011 by our Company, the Unjha police station, Mehsana registered a FIR against Mr. Ravi Jadon, an ex-employee of our Company, alleging that he misappropriated an amount of ₹ 0.17 million and committed offences under Sections 406 and 420 of IPC. The chargesheet has been filed and summons has been issued to the accused.
2. Pursuant to the letter dated July 25, 2012 by our Company, the MIDC police station, Mumbai registered a FIR against Mr. Bhupendra Solanki for the offences of criminal breach of trust and cheating under Sections 406 and 420 of the IPC. Our Company has alleged that Mr. Solanki misappropriated goods worth ₹ 1.28 million and the Company had to incur additional expenditure of ₹ 12,000. Our Company has received a notice from the Bundi police station directing our Company to be present before the Chief Judicial Magistrate, Bundi during the presentation of the chargesheet dated December 23, 2012. The matter is currently pending.

Civil proceedings

1. Our Company had made an application dated January 21, 2011 to the Rajasthan State Agriculture Marketing Board, Jaipur for allotment of land situated at Lalgah Jatan, Sadulsahar Tehsil, Sri Ganganagar mandi, admeasuring 8000 square metres. Our Company was allotted the land for ₹ 5,566 per square metre. Our Company has filed a writ petition dated October 17, 2013 before the Rajasthan High Court, Jodhpur against the State of Rajasthan, the Krishi Upaj Mandi Samiti (Grains), Sri Ganganagar, and the Rajasthan State Agriculture Marketing Board, Jaipur, alleging that the said allotment price is exorbitant and in contravention of the state government order dated September 18, 2013 which prescribes that the allotment shall be made at the rate prevailing in the mandi area. The State of Rajasthan and the Rajasthan Agriculture Marketing Board in their replies dated November 14, 2013 and November 11, 2013 respectively, contended that no rate had been fixed for the said mandi area and therefore, the rate at which it was allotted, being the rate prevailing in the nearest commercial area, cannot be challenged. The High Court has passed a stay order in favour of the Company. The matter is currently pending.

Notices by Our Company

1. Our Company issued a notice dated July 16, 2014 to Dharampal Satyapal Limited (“DSL”) for the recovery of a sum of ₹ 2.18 million including interest outstanding in relation to certain purchases made by them. DSL in its reply dated September 22, 2014 stated that an amount of ₹ 0.34 million was outstanding and that many reminders had been sent to our Company to collect the same. Pursuant to the same, our Company has issued another notice dated October 18, 2014 reiterating the claim in notice dated July 16, 2014 and stating that no reminders were sent by DSL. Thereafter, there has been no communication from DSL.
2. Our Company issued a notice dated July 18, 2014 to R.K. Exports for the recovery of a sum of ₹ 0.29 million and requesting the removal of stocks belonging to R.K. Exports from our Agri-Logistics Park situated at Unava, Unjha Tehsil, Mehsana district. Thereafter, there has been no communication from R.K.

Exports.

3. Our Company issued a notice dated October 23, 2013 to Charette Project Management Consultants (“Charette”) for the recovery of a sum of ₹ 15.10 million under an agreement by which Charette was to act as a project management consultant and on the ground of the alleged faulty designs provided by Charette. Charette in its reply dated December 8, 2013 denied its liability and asked for its pending invoices to be processed by us. In its notice dated June 2, 2014, our Company reiterated its earlier claim. Thereafter, there has been no communication from Charette.
4. Our Company issued a notice dated May 17, 2011 to Payal Impex in relation to the dishonour of cheques issued to us. The claim involved is ₹ 0.1 million. Thereafter, there has been no communication from Payal Impex.

B. Litigation against any other company likely to affect the operations and finance of the issuer or whose outcome could have a materially adverse effect on the position of the issuer

Except as stated below there are no outstanding litigation, suits, criminal or civil proceedings, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

1. Mr. Kailash Dan Charan, an accounts manager of FCI, initiated a public interest litigation through a writ petition dated October 19, 2014 before the Rajasthan High Court at Jaipur against the chairman and managing director of FCI, the executive director of FCI; the general manager of FCI, the chairman of RSWC, and the principal secretary, Food Department, Government of Rajasthan, alleging, amongst other things, criminal collusion in the manner in which FCI allotted purchase mandis to RSWC (for undertaking procurement activities on behalf of FCI from such mandis), that the RSWC intends to pass on its control to our Company, that RSWC/ our Company entered into agreements to procure wheat from farmers in other states and were profiting from them whereas the farmers of Hanumangarh-Sriganganagar in Rajasthan are unable to sell their produce to FCI due to the nefarious and corrupt practices of RSWC, that the RSWC colluded with our Company in awarding contracts to persons to act as handling and transporting agents for wheat procurement without following a bid system, that wheat being procured at exorbitant rates by RSWC/ our Company, and the RSWC being reimbursed by the FCI was resulting in the exchequer being burdened and public money being squandered. The reliefs sought by the petitioner include, inter-alia, the review of the distribution of wheat procurement mandis among purchase agencies in Rajasthan, and to order an investigation into the alleged corruption involved in distribution of purchase mandis to RSWC and our Company. Furthermore, the petitioner has requested the Court to pass an interim order directing the CID/CB to investigate into the said matter and take necessary action against defaulters found guilty and to direct the FCI to not allot mandis arbitrarily. The matter is currently pending and the next date of hearing before the Rajasthan High Court is currently not available with us.
2. Pratap Singh and others had filed a case against Gurbaksh Singh and Sarpanch, Gram Panchayat before Sub-Divisional Officer, Bikaner pursuant to revenue appeal number 54/2008 in relation to legality of transfer of certain land parcels through a transfer document executed in the year 1964. Certain land parcels out of the land parcels being subject matter of the appeal was acquired by our Company from Gurbaksh Singh in the year 2007. The Sub-Divisional Officer has through its letter dated October 20, 2010 quashed the revenue appeal. We understand there is an appeal filed before the Divisional Commissioner, Bikaner by Pratap Singh and/or others against Gurbaksh Singh and Sarpanch, Gram Panchayat. However, we have not yet received any legal notice in relation to this matter nor has our Company been made a party to the legal proceedings in this matter.

C. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

D. Past penalties imposed on our Company

1. The Sub-Divisional Officer, Sagar through his order dated August 20, 2013 imposed a penalty of ₹ 1.09 million on our Company for not producing royalty receipts in relation to the murram that was found at our land bearing Khasra number 346/1, 346/2, 343 situated at Sagar district. Our Company has paid the said penalty.
2. Pursuant to a notice dated December 7, 2012 issued by the Additional Collector (Stamp), Jaipur, our Company paid a penalty of ₹ 853 along with the shortfall in payment of registration fees, stamp duty, and interest, totalling to ₹ 52,090, in relation to a lease deed entered into by our Company for its office premises in Jaipur.
3. Our Company has paid a penalty of ₹ 500 each for the late filing of service tax returns due in June, 2012, September, 2013 and March, 2014.
4. Pursuant to order dated November 9, 2009, our Company has paid a penalty of ₹ 1,840 for delay in filing returns in relation to the financial year 2007-08.
5. Pursuant to the order dated August 3, 2010 passed by the Assistant Commercial Tax Officer, Jodhpur, our Company paid a penalty of ₹ 500 for delay in filing of return in relation to financial year 2008-09.
6. Our Company paid composition fees of ₹ 62,756 in lieu of penalty imposed by the Commercial Tax Inspection Department, Nayagaon, Madhya Pradesh on November 16, 2014 due to irregularities in documents produced in relation to certain goods being transported by our Company.
7. Our Company paid a fine of ₹ 5,000 imposed by the Department of Sales Tax, Government of Maharashtra, for the delay in filing of the return for financial year 2012-13.
8. Pursuant to order dated February 28, 2014 and the subsequent notice dated January 7, 2015, by the Assistant Commercial Tax Officer, Jodhpur our Company paid a penalty of ₹ 1,000 under the Rajasthan Tax on Entry of Goods into Local Areas Act, 1999.

E. Pending notices against our Company

1. Universal Shipping Private Limited (“**Universal Shipping**”) issued a notice dated June 13, 2012 to our Company claiming USD 0.13 million towards container detention, port demurrage, import charges and loss of revenue on account of the container shipped by us still remaining unclaimed at the Karachi port. Our Company in its reply dated June 18, 2012 stated that under the Multimodal Transportation of Goods Act, 1993, the onus is on the multimodal transport operator to keep the goods in safe custody if the delivery is not taken by the consignee and that the payment of the said amount was the liability of the consignee and not our Company as a consignor. Thereafter, no communication has been received from Universal Shipping.
2. Spices Board, Ministry of Commerce and Industry issued a notice dated May 6, 2014 to our Company informing us that our consignment of cumin seeds at Mundra port were found to be adulterated pursuant to the surveillance conducted by it and that appropriate proceedings would be initiated against us in relation to the same. Our Company in its reply dated May 26, 2014 stated that it was not aware that the consignment was detained for surveillance and that the customs authorities also consented to the export of the said consignment. Thereafter, there has been no communication in relation to this matter.
3. Spices Board, Ministry of Commerce and Industry issued a notice dated August 22, 2014 to our Company seeking an explanation as to why our Company did not obtain its consent before stuffing the consignment of cumin and shipping it to Alexandria, Egypt. Our Company in its reply dated August 25, 2014 has submitted that due to the oversight of our employee the stuffing was done before the Spices Board could provide its consent. Thereafter, no communication has been received from the Spices Board.

4. Our Company received a notice from the National Highways Authority of India Limited (“NHAI”) in relation to the proposed acquisition of our land admeasuring 0.360 hectares, situated at Panjh village, Vidisha Tehsil, Vidisha district. Our Company through its replies dated April 20, 2012 and April 6, 2013 stated that the said land had been converted for commercial use through order dated October 24, 2011 and therefore, the compensation payable to our Company should factor in the commercial rates applicable.
5. Pursuant to an inspection conducted by the Labour Department of the Government of Rajasthan at our Jodhpur office, our Company has received an inspection note dated January 31, 2015 directing our Company to produce certain documents within 15 days from the said date of notice. The documents required to be produced include a) advance register or salary slip, b) annual returns of minimum wages paid, etc. Our Company has filed its reply dated February 10, 2015 along with annual returns in relation to payment of minimum wages and bonus.
6. Our Company has received a notice dated February 7, 2015 from the Sarpanch, Umale Gram Panchayat, Jalgaon Taluk, directing our Company to pay gram panchayat tax of ₹ 80,000 within three days in relation to years 2013-14 and 2014-15. Our Company in its reply dated February 10, 2015 has stated that it had already obtained a no-objection certificate from the Gram Panchayat in relation to its warehouse and cold storage unit, and that the layouts submitted by our Company were approved. Our Company has further contended that it had already paid the Non-Agricultural tax and therefore, there is no further requirement of paying tax to the Gram Panchayat. The matter is currently pending.
7. The Executive Engineer, Rajasthan State Agricultural Marketing Board has issued us a notice dated February 5, 2015 on account of construction of cold storage at Alwar without obtaining an Short Term Permit. The Executive Engineer has imposed a royalty penalty of ₹ 0.16 million. Our Company is in the process of filing a reply to the said notice.
8. Our Company has received a notice dated February 13, 2015 from Maa Vaishnov Devi Security Solutions (“MVDDS”) claiming the refund of ₹ 0.74 million that was allegedly illegally recovered by us from the running bills of MVDSS alongwith accrued interest, and in the alternative, the appointment of a sole arbitrator to resolve the dispute. The matter relates to the service contract entered into between our Company and MVDSS for the security of our moveable and immoveable properties and assets at certain specified locations. Our Company is in the process of replying to the said notice.

F. Material frauds

Except as stated below no material frauds were committed against our Company in the last five years.

S. No.	Details of Fraud	Year	Amount Involved (in ₹ million)	Actions taken by the Company
1.	Mr. Sudeep Mukherjee committed fraud against our Company and misappropriated money that was due and payable to our Company from our foreign operations.	Not known	40	Complaints submitted to the Shastri Nagar police station, Jodhpur, pursuant which, the police registered a FIR dated July 29, 2012 under Sections 406 and 420 of the IPC.

G. Material developments since the last balance sheet date

Except as stated in this Draft Red Herring Prospectus, there are no material developments since the date of the last balance sheet of our Company.

H. Outstanding dues to small scale undertaking(s) or any other creditors

Our Company has no outstanding dues above ₹ 0.1 million to small scale undertakings, which have been outstanding for more than 30 days. Further, our Company has no outstanding dues above ₹ 0.1 million, which have been outstanding for more than 30 days, to other creditors, which are not in the ordinary course of business.

I. Adverse findings against our Company and any persons or entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving our Company and any persons or entities connected with our Company as regards non compliance with securities law.

J. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

K. Defaults including non-payment of statutory dues, over-dues to banks or financial institutions

Except as stated in the section “*Financial Statements*” on page 237 and as disclosed in this section, there are no defaults including non-payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoters and Group Entities and defaults in creation of full security as per the terms of issue or other liabilities.

One of our Group Entities, Energylink (India) Limited currently has an undisputed outstanding amount of ₹ 0.54 million pending under the Gujarat VAT Act, 2005 for more than six months.

L. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the previous companies law

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years except as stated below:

- a. The Regional Director issued five separate orders on September 2, 2013 allowing our Company’s applications for compounding under Section 621 A of the Companies Act, 1956 of offences under Section 297 of the Companies Act, 1956. Under Section 297 of the Companies Act, 1956 our Company was required to obtain government approval where it enters into transactions in which its directors are interested. Our Company did not obtain such approval in respect of five transactions entered into during the years 2006-07, 2007-08, 2008-09. The applications were disposed off with a direction to pay a fine totalling to ₹ 21,800.
- b. The Company Law Board through its order dated March 20, 2012 allowed our Company’s petition requesting a condonation of delay in filing a charge created in favour of HDFC Bank Limited. The Board granted an extension of time for filing the said charge subject to the payment of cost of ₹ 750 by our Company.

II. Litigation involving the Subsidiary of our Company

There is no outstanding litigation involving our Subsidiary, Punarvasu Holding and Trading Company Private Limited as on the date of this Draft Red Herring Prospectus.

III. Litigation involving the Directors of our Company

A. Outstanding Litigation against our Directors

There is no outstanding litigation against our Directors as on the date of this Draft Red Herring Prospectus.

B. Pending Notices against our Directors

- a. Mr. Ramalingam Ramaseshan has received three notices, each dated February 4, 2014 from the Registrar of Companies, Mumbai alleging violation of section 211(3A) read with Part I of Schedule VI of the Companies Act, 1956 in connection with his directorship in National Commodities and Derivatives Exchange Limited. Mr. Ramaseshan has replied to the notices on February 19, 2014. The notices are currently pending.
- b. Mr. Kamal Kishore Jain has received a show cause notice dated October 4, 2004 from the Additional Commissioner of Central Excise, Ahmedabad, alleging complicity in irregular availment of MODVAT credit of ₹ 4.30 million by KPTL during January-March, 2000 and seeking to impose a penalty under Rule 209 of the Central Excise Rules, 1944. The matter is currently pending.

C. Outstanding Litigation initiated by our Directors

There is no outstanding litigation initiated by our Directors as on the date of this Draft Red Herring Prospectus.

D. Past penalties imposed on our Directors

Except as stated below, there have been no past cases in which penalties were imposed on our Directors:

The Regional Director, North Western Region, Ministry of Corporate Affairs, Ahmedabad, through five separate orders delivered on September 2, 2013, directed Mr. Aditya Bafna and Mr. Shubendra Kumar Bafna to pay compounding fees totalling to ₹ 21,800 each in relation to compounding of offences under section 297, Companies Act, 1956. Under section 297, our Company is required to obtain government approval where it enters into transactions in which its directors are interested. Our Company did not obtain such approval in respect of five transactions entered into during the years 2006-07, 2007-08, 2008-09.

The Additional Commissioner of Central Excise Division-III issued a show-cause notice (number dated October 4, 2004 against Mr. Kamal Kishore Jain, requiring him to explain as to why penalty should not be imposed against him under Rule 209, Central Excise Rules, 1994. The matter is currently pending.

The Company Law Board, Mumbai Bench, through its order dated September 19, 2011 directed Mr. Manish Mohnot, in his capacity as whole time director of KPTL, to pay compounding fees of ₹ 20,000 in relation to the offence committed under Section 113 of the Companies Act, 1956. The matter relates to the default committed by KPTL in not issuing debenture certificates within three months from the date of allotment as required under Section 113(1) of the said Act.

E. Disciplinary action taken by SEBI or stock exchanges against our Directors

No disciplinary action has been taken by SEBI or stock exchanges against any of our Directors.

F. Proceedings outstanding against our Directors for economic offences

There are no proceedings outstanding against our Directors for economic offences.

G. Tax proceedings outstanding against our Directors

Except as disclosed in this Draft Red Herring Prospectus, there are no tax proceedings outstanding against our Directors.

H. Directors on the list of wilful defaulters of the RBI

None of our Directors or any entity with which our Directors are or have been associated with as director, promoter, partner and/or proprietor have been declared wilful defaulters by RBI either in the past or present.

III. Litigation involving our Promoters

A. Outstanding litigation against our Promoters

Kalpataru Power Transmission Limited ("KPTL")

(I) Civil Proceedings

1. Mr. Laxmanbhai Jalu has filed a special civil suit dated May 14, 2012 against Essar Power Company Limited and its subcontractor, KPTL before the court of the Principal Senior Civil Judge, Surat, alleging that the transmission lines set up by Essar Power Company Limited pass through his land and seeking an order from the court restricting the respondents from laying the lines. In relation to the same, Mr. Jalu has filed an interim application dated May 14, 2012 for a temporary injunction under the Electricity Act, 2003 requesting the court to direct the respondents to discontinue the laying of transmission lines through his land. The matter is currently pending.
2. Mr. Prakashbhai Modi, the plaintiff, has filed a civil suit dated May 14, 2012 against Essar Power Company Limited ("Essar") and its subcontractor, KPTL before the Additional Senior Civil Judge, Ankleshwar, alleging that the transmission lines set up by Essar pass through his land and seeking an order from the court restricting the respondents from laying the lines. In relation to the same, Mr. Modi has filed an interim application dated May 14, 2012 for a temporary injunction under the Electricity Act, 2003 requesting the court to direct the respondents to discontinue the laying of transmission lines through his land. The matter is currently pending.
3. Highwind Energy Private Limited has filed a writ petition dated December 27, 2013 before the Madras High Court, against the superintending engineer and executive engineer of Tamil Nadu Transmission Corporation Limited and its subcontractor, KPTL, requesting the court to issue a writ restraining the respondents or their men from carrying out any work on the land situated at survey no. 87/3B at Pannikarkulam Village, Kovilpatti Taluk, Tuticorin District. Pending disposal of the case, Highwind has filed an interim application seeking an order restraining the respondents from carrying out any work at the said land. KPTL has filed an interim reply.
4. Mr. Devender Singh Malik filed a suit dated August 1, 2013 against KPTL in the court of the Civil Judge, Senior Division, Rohtak, claiming an amount of ₹ 0.24 million as arrears of salary. KPTL has filed the written statement dated February 26, 2014 stating that no payment is due from it to Mr. Malik. The matter is currently pending.
5. Jaipur Vidyut Vitram Nigam Limited has filed an appeal dated February 18, 2013 before the Supreme Court of India against KPTL, challenging the order dated October 9, 2012 passed by the Appellate Tribunal for Electricity, New Delhi holding that the generic tariff, prescribed under the relevant order of the Rajasthan Electricity Regulatory Commission, is not applicable to KPTL. The matter relates to the determination of tariff under a power purchase agreement dated February 15, 2012.
6. M/s. Shiv Shakti Engineers has filed a suit dated October 14, 2010 for the recovery of ₹ 0.9 million that was allegedly due from KPTL. KPTL has filed a reply dated December 24, 2011 stating that the plaintiff's claim was frivolous and that the material had been misused by the plaintiff. The matter is currently pending.
7. Mr. Sukhdev Gaike has filed a suit dated August 18, 2010 against KPTL before the court of the Civil Judge (Junior Division), Selu, claiming compensation of ₹ 0.5 million plus interest on account of injury alleged to

be caused to him due to the negligence of KPTL. KPTL in its reply dated March 2, 2011 has denied the same and contended that the injury was caused due to act of god. The matter is currently pending.

8. M/s. Continental Enterprise has filed a suit dated March 10, 2012 against KPTL in the Delhi High Court for the recovery of a sum of ₹ 2.53 million that was allegedly due from KPTL. KPTL in its written statement dated September 9, 2014 has denied the same. The matter is currently pending.
9. Kalpataru Habitat C.H.S.L Parel filed an application under section 11, Maharashtra Ownership Flat (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 against Mr. Kirit Meghji Toprani, KPTL and others for the deemed conveyance of land bearing new C.S. number 5/108, Parel.
10. M/s. Pratap Singh Khangarot has filed an appeal dated May 23, 2013 before the Additional District and Sessions Judge, Kishangarh against Mr. B.K. Satish and KPTL for the recovery of payment of ₹ 0.35 million due for work completed under a work order. KPTL in its written statement dated November 17, 2013 has stated that no payments were due from it. The matter is currently pending.
11. Mr. Pranab Saha has filed a suit dated September 6, 2012 against KPTL before the Additional District Judge, Jalpaiguri, for the recovery of money of ₹ 0.71 million allegedly due to it. KPTL in its written statement dated November 17, 2013 has denied that any money was due. The matter is currently pending.
12. The Bengal Mill Stores Supply and Company filed a summary suit dated March 27, 2008 against KPTL seeking recovery of ₹ 4.09 million for pipes supplied by it to KPTL. KPTL in its written statement dated December 15, 2011 has contended that it had already paid for the pipes so supplied and that there are no more dues. The matter is currently pending.
13. Pursuant to a suit filed by Ms. Sujata Kamble against Maharashtra State Electricity Distribution Company Limited ("MSEDCL") and KPTL, the Court of the 2nd Civil Judge, Senior Division, Sangli passed an order dated April 10, 2012 directing MSEDCL and KPTL to pay compensation of ₹ 0.5 million to Ms. Kamble for the death of Mr. Surendra Kamble. Subsequently, MSEDCL filed an appeal dated September 3, 2012 before the District Judge, Sangli, challenging the order dated April 10, 2012. The matter is currently pending.
14. Ms. Vandana, widow of Late Mr. Anand Kumar, has filed an application dated July 7, 2013 for review of the judgment and decree dated January 31, 2013 passed by the Additional Civil Judge, Senior Division, Panipat, and seeking an enhancement in the compensation awarded for the death of her husband. The suit was filed against KPTL and United Insurance Company Limited. The liability involved is ₹ 1.63 million. The matter is currently pending.
15. Mr. Puka Ram filed a suit dated August 9, 2011 against the Superintending Engineer, Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPL") and KPTL before the Court of the Additional District Judge, Jodhpur, seeking compensation for the death of his son allegedly caused due to the negligence of KPTL. On an application dated February 25, 2013 by KPTL, the court allowed for the impleadment of Iffco Tokio General Insurance Company Limited. The liability involved is ₹ 4.22 million. The matter is currently pending.
16. Mr. Madan Lal filed a suit dated August 9, 2011 against the Superintending Engineer, Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPL") and KPTL before the Court of the Additional District Judge, Jodhpur, seeking compensation for the death of his son allegedly caused due to the negligence of KPTL. On an application dated February 25, 2013 by KPTL, the court allowed for the impleadment of Iffco Tokio General Insurance Company Limited. The liability involved is ₹ 4.72 million. The matter is currently pending.
17. Mr. Nauneet Ram filed a suit dated July 8, 2014 against KPTL before the Court of the Additional District Judge, Sagar, seeking compensation for the death of his son allegedly caused due to the negligence of KPTL. On an application dated August 28, 2014 by KPTL, the court allowed for the impleadment of

- United India Insurance Company Limited. The liability involved is ₹ 0.1 million. The matter is currently pending.
18. The tribunal at Ain El Fakhroun, Algeria through its order dated April 21, 2011, directed KPTL to restore the land of Mr. Zaboub Abdel Hamid and make a payment of 10 million Algerian Dinars as compensation. The Oum El Bougagh court at Ain Fakroun, Algeria through its order dated October 10, 2011, decided the appeal filed by KPTL, setting aside the order dated April 21, 2011 of the tribunal at Ain El Fakhroun. Subsequently Mr. Zaboube abdel Hamid filed an appeal against the order of the Oum El Bougagh court, before the Supreme Court of Algeria. The liability involved is 10 million Algerian Dinars and the restoration of the land to its original condition. The matter is currently pending.
 19. The Employment Office has filed a suit dated June 1, 2012 against KPTL before the Labour Ministry, Algeria alleging the non-payment of social security for persons hired at the store of KPTL at the project site. The liability involved is ₹ 0.78 million. The matter is currently pending.
 20. The Employment Office has filed a suit dated December 30, 2012 against KPTL before the Labour Ministry, Algeria alleging the non-payment of social security for persons hired at the store of KPTL at the project site. The liability involved is ₹ 1,564. The matter is currently pending.
 21. Mr. Raphel Musera has filed a suit dated May 28, 2013 against M/s Maianga Technologies Limited, a subcontractor of KPTL and KPTL before the Principal Magistrate Court of Voi, Kenya alleging neglect in extending medical treatment to him after he sustained injuries while on duty. The matter is currently pending.
 22. Mr. Simon Guni Ali, a worker engaged by our subcontractor, has filed a suit dated August 22, 2013 against KPTL before the Principal Magistrate Court of Voi, Kenya alleging neglect in extending medical treatment to him after he sustained injuries while on duty. The matter is currently pending.
 23. Mr. Sammy Nyamasyo has filed a suit dated August 13, 2013 against KPTL before the Principal Magistrate Court of Makindu, Kenya alleging neglect in extending medical treatment to him after he sustained injuries while on duty. The matter is currently pending.
 24. Mr. Christopher Peter has filed a suit dated August 28, 2014 against KPTL before the Principal Magistrate Court of Voi, Kenya alleging neglect in extending medical treatment to him after he sustained injuries while on duty. The matter is currently pending.
 25. Jyoti Structures Limited and Jyoti Americas LLC have filed a suit dated December 13, 2013 against KPTL in the Montgomery County Court Texas, USA seeking the payment of amount of USD 5.6 million retained by KPTL as liquidated damages. The matter is currently pending.
 26. Mr. Afewerki Girmay has initiated arbitration proceeding against KPTL seeking 0.49 million Ethiopian Birr as compensation allegedly due under a work contract. The matter is currently pending.
 27. KPTL has received a notice dated January 18, 2010 from Mr. Hatsey Hailuff alleging pending payments for material supplied to KPTL. KPTL responded to the said notice on January 28, 2010, stating that no further payments are pending from KPTL. No further communication has been received in relation to this matter.
 28. KPTL has received a legal notice dated July 18, 2013 from Mr. John Wekesa and Mr. Gabriel Mutisya alleging that they were injured while on duty and seeking admission of liability. KPTL in its reply dated July 22, 2014 has contended that the said persons were never employed by it. There is no further communication in relation to this matter.
 29. Mr. Vishal Ratnakar has initiated an arbitration proceeding before the court-appointed sole arbitrator in Mumbai, claiming success fee in lieu of assistance rendered to KPTL in acquiring a project in Ukraine. The liability involved is 0.4 million Euros. The matter is currently pending.

30. Pursuant to a petition dated December 11, 2014 filed by KPTL against the National Grid Corporation of Philippines (“NGCP”), the Regional Trial Court, Quezon, National Capital Judicial Region, passed an interim order dated December 12, 2014, enjoining NGCP from levying liquidated damages under three agreements pertaining to three projects, and calling upon the bank guarantees that had been issued by KPTL in favour of NGCP. The parties have been directed to maintain status quo ante, until the presentation of evidence by parties. KPTL has filed a motion seeking clarification for extension of the order directing parties to maintain status quo ante until the final resolution of the petition. The liability involved is 76.83 million Philippine Peso. The matter is currently pending.
 31. Mr Sioudan Inpac filed a suit in the Algiers court against KPTL claiming that the compensation payment made by KPTL was inadequate. In 2010 the Algiers Court ordered KPTL to pay 10 million Algerian Dinars to M/s Sioudan Impac and directed BNP Paribas Bank to hold the amount till the matter was decided by the court. Subsequently, the plaintiff's subcontractors filed a suit against M/s Sioudan Impac for non-payment of their dues and the Algiers court directed BNP Paribas Bank to pay the subcontractors on January 9, 2012. Thereafter, KPTL received a bailiff's notice dated June, 20, 2014 from one of the partners of M/s. Sioudan Inpac, claiming the payment of 10 million Algerian Dinars. No notice has been received from the court in relation to this matter.
 32. KPTL has received a notice dated June 16, 2014, from Mr. Emery Kalubi, of a suit filed in the forgery court in Democratic Republic of Congo. The plaintiff has alleged that KPTL has forged the signatures of the plaintiff on a payment voucher. Due to non-appearance of the plaintiff on September 30, 2014, no next date has been given by the court in this matter. Total liability involved in this matter is ₹ 9 million. No further notice has been received by KPTL.
 33. KPTL has received a bailiff notice dated November 3, 2014, from M/s Ruratel (“**Ruratel**”), demanding payment of USD 5.6 million, on grounds of services rendered by Ruratel to enable KPTL to win a world bank funded project in the Democratic Republic of Congo. KPTL filed a reply dated December 15, 2014, denying the claim made by Ruratel, and stating that it did not avail of the services of Ruratel and that there was no agreement ever executed between Ruratel and KPTL. The matter is currently pending.
 34. Mr. John Kilonzo Nthekata has filed a suit dated March 20, 2014 against KPTL before the Chief Magistrate Court of Milimani, Nairobi, Kenya, seeking a compensation for repairs and special damages on the ground that his vehicle was allegedly involved in an accident with a vehicle of KPTL on November 21, 2001, The liability involved is 0.22 million Kenyan Shillings. An amount of 0.10 million Kenyan Shillings has been paid by the insurer on behalf of KPTL to Mr Kilonzo and KPTL is awaiting a certified copy of the order disposing the case.
- (II) Proceedings before a labour law fora
1. The legal heirs of Mr. Shiv Shankar have filed a claim dated June 12, 2014 against KPTL before the Deputy Labour Commissioner-I, Chennai, seeking compensation of ₹ 1 million for the fatal accident of Mr. Shankar plaintiff. KPTL has submitted its reply dated October 9, 2014. The matter has been transferred to the Deputy Labour Commissioner-I, Vellore and is currently pending.
 2. The legal heir of Mr. Masum Belal Shaikh has filed a claim dated October 7, 2013 against KPTL before the IXth Labour Court, Mumbai, seeking compensation of ₹ 0.43 million for the fatal accident of Mr. Shaikh. KPTL has filed an application dated November 13, 2014 before the court to implead United India Insurance Company Limited as a party to the suit. The matter is currently pending.
 3. The legal heirs of Mr. Raju Uparale have filed a claim dated October 22, 2013 against KPTL before the Commissioner of Workmen's Compensation, Baitul, Madhya Pradesh, seeking compensation of ₹ 0.65 million for the fatal accident of Mr. Uparale. KPTL has filed an application dated August 21, 2014 before the court to implead United India Insurance Company Limited as a party to the suit. The matter is currently pending.

4. The legal heir of Mr. Yogesh Bharadwaj has filed a claim dated June 28, 2008 against KPTL before the Commissioner of Workmen's Compensation, Tonk, seeking compensation of ₹ 0.42 million in relation to the death of Mr. Bharadwaj. KPTL has submitted its reply dated November 11, 2008 stating that death was caused due to natural reasons and not because of an accident. The matter is currently pending.
5. A show cause notice dated January 28, 2013 has been issued by the Commissioner of Workmen's Compensation, Labour Court- 1, Bhopal, against KPTL, asking to show cause as to why interest and penalty of ₹ 0.33 million should not be imposed on KPTL in relation to the compensation claim made by the legal heirs of Mr. Amirol Islam. The matter has been transferred to the Workmen's Compensation Commissioner, Jalpaiguri and is currently pending.
6. A show-cause notice dated March 7, 2013 has been issued by the Commissioner of Workmen's Compensation, Beloda Bazaar, Chattisgarh, against KPTL, asking to show cause as to why interest and penalty amounting to ₹ 0.88 million should not be imposed on KPTL in relation to the compensation claim made by the legal heirs of Mr. Vakil Muni. The matter is currently pending.
7. The legal heirs of Mr. Shubem Sheikh, Mr. Nabirul Seikh and Mr. Samirul Islam have made a claim for compensation of ₹ 0.91 million, ₹ 0.89 million and ₹ 0.91 million respectively before the Commissioner of Workmen's Compensation, Calcutta in relation to the road accident that caused their death. The matter is currently pending.
8. Mr. Nazrul Islam Laskar has made a claim for compensation of ₹ 0.49 million before the Deputy Commissioner of Workmen's Compensation, Hailakandi Silchar in relation to an accident that was caused to him. KPTL has filed its reply dated August 28, 2012 stating that Mr. Laskar had not filed a disability certificate. The matter is currently pending.
9. Mr. Dadasaheb Karale has filed a claim dated January 13, 2014 for compensation of ₹ 0.5 million against United Insurance Company Limited, Nagarjun Construction Company, the contractor and KPTL, the principal employer, before the Commissioner for Workmen's Compensation, Solapur in relation to Mr. Karale's non-fatal accident. The matter is currently pending.
10. Mr. Ram Dangi has filed a claim dated January 12, 2012 for compensation of ₹ 0.52 million against KPTL, Ajmer Vidyut Vitaran Nigam Limited, and United India Insurance Company Limited before the Commissioner for Workmen's Compensation, Udaipur in relation to Mr. Dangi's non-fatal accident. The matter is currently pending.
11. Mr. Bhairu Singh has filed a claim dated April 18, 2011 for compensation of ₹ 0.41 million against KPTL, Ajmer Vidyut Vitaran Nigam Limited, and United India Insurance Company Limited before the Commissioner for Workmen's Compensation, Ajmer in relation to Mr. Singh's non-fatal accident. The matter is currently pending.
12. Mr. Maan Singh has filed a claim dated March 26, 2010 for compensation of ₹ 4.55 million against KPTL, Ajmer Vidyut Vitaran Nigam Limited, and United India Insurance Company Limited before the Commissioner for Workmen's Compensation, Dausa in relation to Mr. Singh's non-fatal accident. The matter is currently pending.
13. Mr. Gotu has filed a claim dated September 15, 2008 for compensation of ₹ 0.40 million against United India Insurance Company Limited and KPTL before the Commissioner for Workmen's Compensation, Rajsamand in relation to Mr. Gotu's non-fatal accident. The matter is currently pending.
14. A show cause notice dated September 6, 2012 has been issued by the Commissioner of Workmen's Compensation, Shahjhanpur, against KPTL, asking to show cause as to why interest and penalty of ₹ 0.27 million should not be imposed on KPTL in relation to the compensation claim made by Mr. Naresh Kumar in relation to the accident caused to him. KPTL has filed a review petition dated October 8, 2012 before the Commissioner of Workmen's Compensation. The matter is currently pending.

15. Mr. Kalu Singh has filed a claim dated February 24, 2010 for compensation of ₹ 0.85 million against United India Insurance Company Limited and KPTL before the Labour Commissioner, Rajsamand in relation to Mr. Singh's non-fatal accident. The matter is currently pending.
16. Mr. Deep Chand has filed a claim dated September 11, 2012 for compensation of ₹ 1.03 million against United India Insurance Company Limited and KPTL before the Commissioner for Workmen's Compensation, Bharatpur in relation to Mr. Chand's non-fatal accident. The matter is currently pending.
17. Mrs. Radhabai Changdev Survase has filed a claim dated January 6, 2015 for compensation of ₹ 0.70 million against Nagarjun Construction Company, the contractor and KPTL, the principal employer, before the Commissioner for Workmen's Compensation, Solapur in relation to the fatal accident of Mr. Tanaji Survase. The matter is currently pending.

(III) Domestic Direct Taxation

1. The DCIT, Central Circle, passed an assessment order dated December 30, 2011 for the assessment year 2009-10 against KPTL: (a) holding that the carbon credit receipts of ₹ 57.83 million be treated as revenue receipts and therefore, adding it back to taxable income (b) disallowing deduction of ₹ 6.82 million towards administrative expenses deemed to have been incurred on exempted income on account of dividend from investment. Aggrieved by the same, KPTL filed an appeal dated January 27, 2012 before the CIT (Appeals) who allowed the appeal of KPTL. Aggrieved by the said order, DCIT has filed an appeal before the ITAT on March 1, 2013. The matter is currently pending.
2. The DCIT, Central Circle, passed an assessment order dated March 30, 2011 for the assessment year 2010-11 against KPTL: (a) holding that the carbon credit receipts of ₹ 44.27 million be treated as revenue receipts and therefore, adding it back to taxable income (b) disallowing deduction of ₹ 6.30 million towards administrative expenses deemed to have been incurred on exempted income on account of dividend from investment. Aggrieved by the same, KPTL filed an appeal on April 29, 2013 before the CIT (Appeals). The matter is currently pending.
3. The DCIT, Central Circle, passed an assessment order dated March 30, 2014 for the assessment year 2011-12 against KPTL: (a) holding that the carbon credit receipts of ₹ 42.70 million be treated as revenue receipts and therefore, adding it back to taxable income; (b) disallowing deduction of ₹ 11.61 million towards administrative expenses deemed to have been incurred on exempted income on account of dividend from investment; c) disallowing deduction of ₹ 0.79 million as additional depreciation for the previous year. Aggrieved by the same, KPTL filed an appeal on April 29, 2014 before the CIT (Appeals). The matter is currently pending.
4. KPTL received a notice dated January 27, 2015 from the Deputy Commissioner of Income Tax (TDS), Ahmedabad intimating the arrears of TDS of ₹ 12.98 million in relation to assessment years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 and directing the Company to pay the said amount along with interest. KPTL is in the process of revising its returns to rectify the errors resulting in the mismatch.

(IV) Domestic Indirect Taxation

1. The Additional Commissioner of Central Excise Division-III issued a show cause notice dated October 4, 2005, to KPTL, denying the modvat credit of ₹ 4.30 million availed on the materials supplied by M/s. Sunrise Structural and Engineering Works, Nagpur, on behalf of Maharashtra Steel Re-rolling Mills Private Limited with allegation that M/s Sunrise Structural and Engineering Works has indulged in availment or passing on of irregular MODVAT Credit to KPTL. KPTL in its reply dated March 14, 2005 contended that the goods had been received along with valid excise invoices to avail the MODVAT credit. The matter is pending awaiting the outcome of appeal filed by department against the order of The CESTAT passed an order dated August 27, 2004, regularising the payment of duty by Sunrise Structural and Engineering Works and set aside the adjudication order passed by the adjudicating authority. Subsequently, an appeal was filed by the excise department challenging the said order passed by the CESTAT.

2. The Additional Commissioner of Central Excise Division-III issued a show cause notice dated April 2, 2009 to KPTL, denying input cenvat credit of ₹ 3.10 million availed on services of custom house agents, shipping agents and other port services on the ground that they are neither used for any output service nor for the manufacture of final product directly or indirectly. KPTL in its reply dated April 2, 2009 contended that the said services were “input services” under CCR and therefore, eligible for cenvat credit. The matter is currently pending.
3. The Commissioner of Central Excise, Vapi issued a notice dated August 30, 2011, asking KPTL to show cause as to why a penalty of ₹ 2.30 million should not be imposed on account of duty short-paid by Hiren Aluminium, the supplier of material. The matter is currently pending adjudication by the Settlement Commissioner before whom an appeal was filed by Hiren Aluminium.
4. The Directorate of Revenue Intelligence issued a notice dated September 25, 2013 asking KPTL to show cause as to why the safeguard duty of ₹ 9.82 million and interest of ₹ 0.39 million should not be imposed and appropriated against the payment made under protest by KPTL. KPTL has filed a writ petition dated October 29, 2014 against the Union of India through the Ministry of Law and Justice, Ministry of Finance, Department of Revenue and the officer discharging duties under the Customs Act, stating that the safeguard duty imposed under Section 8C is exempt under Notification No. 96/2009-Cus and is similar to the exemption applicable under Section 8 of Customs Act. The matter is currently pending.
5. The Additional Commissioner of Central Excise, Ahmedabad-III issued a notice dated December 12, 2012 asking KPTL to show cause as to why cenvat credit of ₹ 2.80 million should not be disallowed on cement and RCC steel by invoking extended period of limitation and why interest and penalty should not be imposed on KPTL. KPTL in its reply dated June 18, 2013 has contended that it is using the material for providing taxable output services and therefore, the material is to be considered as input material on which cenvat credit is allowable.
6. The Commissioner of Central Excise, Ahmedabad-III issued a show-cause notice dated October 24, 2010 asking KPTL to explain why the value of goods supplied under a supply contract should not be included in the gross amount for computing the value of the works contract and why service tax of ₹ 541.32 million should not be collected along with the imposition of interest and penalty. KPTL in its reply dated December 19, 2014 contested the same as the supply contract is a contract independent from the work contract. The matter is currently pending.
7. The Commissioner of Central Excise, Ahmedabad-III issued a show cause notice dated October 24, 2012 asking KPTL to explain why: a) it should not be denied the benefit of the composition scheme availed under the Works Contract (Composition Scheme for payment of Service Tax) Rules, 2007, b) why the assessment should not be made in accordance with Rule 2A, Service Tax (Determination of Value) Rules, 2006, especially for those contracts that were partly executed after June, 2007, and c) why service tax of ₹ 92.59 million should not be collected along with the imposition of interest and penalty. KPTL in its reply dated December 23, 2014 contended that the composition scheme was validly claimed through an intimation to the department and was subject to various audits by department allowing the composition scheme and therefore, the notice should be dropped. The Commissioner of Central Excise, Ahmedabad (III) passed an order dated January 2, 2015, confirming demand of ₹ 92.59 million and penalty of ₹ 92.59 million along with interest. KPTL is in the process of filing an appeal against the said order.
8. The Additional Directorate General of Central Excise Intelligence issued a notice dated April 17, 2013 asking KPTL to show cause as to why service tax should not be collected under section 66A, Finance Act, 1994 read with Taxation of Services (Provided from Outside India and Received in India) Rules, 2006, in relation to the payments made in foreign currency to various non-residents for providing services from overseas. The notice also required KPTL to show cause why interest and penalty should not be imposed. The total liability involved is ₹ 100.12 million. KPTL in its reply dated December 23, 2014 stated that the service provided by non-residents in relation to erection and installation of transmission lines, being immoveable property outside India, is not liable to tax in India under the said Rules.

9. The Additional Commissioner of Central Excise and Custom passed an order dated January 2, 2015 confirming the demand of ₹ 3.43 million along with penalty of ₹ 3.43 million, and applicable interest, under section 66A of the Finance Act, 1994 read with Taxation of Services (Provided from Outside India and Received in India) Rules, 2006, in relation to the payments made in foreign currency to various non-residents for providing services from overseas. KPTL has paid ₹ 2.79 million and hence the outstanding liability involved in this matter is ₹ 0.64 million and the penalty amount of ₹ 3.43 million. KPTL has filed an appeal before Commissioner (Appeals) against the said order passed by the Additional Commissioner of Central Excise and Customs.
10. The Commissioner of Central Excise issued a show-cause notice dated January 27, 2005 requiring KPTL to show cause why the services for erection, testing and commissioning rendered by KPTL should not be treated as taxable service rendered by a consulting engineer instead of a job work receipt, why tax of ₹ 153.58 million and why penalty should not be imposed on KPTL. KPTL has in its reply dated May 5, 2005 contended that the job work receipt would not fall under the purview of consulting engineering services. The Commissioner through his order dated September 20, 2010 imposed a tax of ₹ 87.88 million towards installation and commissioning services and a penalty of ₹ 87.88 million. Aggrieved by the same, KPTL has filed an appeal dated December 16, 2010 to the CESTAT along with application for unconditional stay against the operation of the order. The stay was granted through an order dated September 20, 2010. The matter is currently pending.
11. The Assistant Commissioner of Central Excise, Ahmadabad issued a demand-cum- notice dated September 29, 2010, requiring KPTL to pay service tax of ₹ 0.53 million on various payments made to an agent in Abu Dhabi as import of services. KPTL in its reply dated December 28, 2010 stated that the payments made towards services provided outside India are not liable to service tax. The ACCE allowed the contention of KPTL except in relation to a part of a payment towards monthly consulting charges and imposed a service tax of ₹ 96,988 and penalty of ₹ 0.10 million. Aggrieved by the levy of penalty, KPTL filed an appeal on May 2, 2011 before the CESTAT along with an application for stay of proceedings for the recovery of penalty. The CESTAT through its order dated November 24, 2011 granted an unconditional stay against the recovery of proceedings. The matter is currently pending.
12. The Assistant Commissioner of Customs, Chennai made a final assessment order dated May 31, 2013 of the bill of entry under which the optical ground wire imported by KPTL was classified under chapter heading 9001 instead of 8544, thereby disallowing the benefit of Notification 24/2005, and requiring the payment of ₹ 2.32 million as customs duty. Aggrieved by the said order, KPTL preferred an appeal dated August 2, 2013 before the Commissioner of Customs (Appeals) who upheld the order of the Assistant Commissioner. Aggrieved by the said order, KPTL deposited said demand under protest and is in the process of filing an appeal before the CESTAT.
13. The Assistant Commissioner of Customs, Kochi passed a final assessment order dated July 31, 2014 in relation to a bill of entry dated June 18, 2014 under which the optical ground wire imported by KPTL was classified under chapter heading 9001 instead of 8544, thereby disallowing the benefit of Notification 24/2005, and requiring the payment of ₹ 2.78 million as customs duty. The same was paid under protest. Aggrieved by the said order, KPTL preferred an appeal dated September 27, 2014. The matter is pending for hearing.
14. The Assistant Commissioner of Customs, Kochi passed a final assessment order dated January 9, 2015 in relation to bill of entry dated 27.10.2014 under which the optical ground wire imported by KPTL was classified under chapter heading 9001 instead of 8544, thereby disallowing the benefit of Notification 24/2005, and requiring the payment of ₹ 1.29 million as customs duty. The same was paid under protest. KPTL is in process of filing an appeal before Commissioner (Appeals), Kochi.
15. The Assistant Commissioner of Customs, Neva Sheva provisionally assessed bill of entry number 5101429 dated April 4, 2014 under which the optical ground wire imported by KPTL was classified under chapter heading 9001 instead of 8544, thereby disallowing the benefit of Notification 24/2005, and requiring the payment of around ₹ 1.99 million as customs duty. The same was paid under protest. The final assessment

of bill of entry is pending for testing report of imported goods.

16. The Assistant Commissioner of Customs, Neva Sheva provisionally assessed bill of entry number 5390905 dated May 5, 2014 under which the optical ground wire imported by KPTL was classified under chapter heading 9001 instead of 8544, thereby disallowing the benefit of Notification 24/2005, and requiring the payment of around ₹ 1.74 million as customs duty. The same was paid under protest. The final assessment of bill of entry is pending for testing report of imported goods.
17. The Commissioner of Customs (Appeals) issued a notice of hearing to KPTL in relation to the matter of levy of custom duty on import of turbine for a biomass plant on the basis of order in original passed by the Assistant Commissioner of Customs dated May 9, 2008. KPTL in its reply dated January 2, 2014 stated that the matter had already been settled by CESTAT through its order dated June 24, 2009 and CESTAT order did not direct the Commissioner (Appeals) for fresh adjudication nor was the matter remanded back to the Commissioner (Appeals) for fresh adjudication and therefore, the issue is not within the jurisdiction of Commissioner (Appeals). Subsequently, the Commissioner through his order dated February 13, 2014 confirmed the demand of ₹ 5.71 million. KPTL has filed an appeal before CESTAT on May 23, 2014 which is currently pending.
18. The Assistant Commissioner of Customs MPT & SEZ, Mundra passed an order raising demand of differential duty of ₹ 33,257, redemption fee of ₹ 30,000 and penalty of ₹ 15,000 in relation to bill of entry dated July 31, 2014 for import of goods on sectional weight basis. Aggrieved by the said order, KPTL deposited the said amount and has filed an appeal before the Commissioner (Appeals) which is currently pending.
19. KPTL received a show cause notice dated February 4, 2012 requiring it to show cause as to why goods imported by it should not be confiscated and why differential customs duty of ₹ 4.78 million should not be levied along with the imposition of interest and penalty. The goods under the bill of entry were seized by the Directorate of Revenue Intelligence. Subsequently, the goods under the bill of entry were released provisionally subject to submission of indemnity bond of ₹ 400 million, bank guarantee of ₹ 100 million, and the payment of regular duty of ₹ 78.71 million. The Joint Commissioner through his order dated September 24, 2014 upheld the demand in relation to differential customs duty. KPTL filed an appeal dated December 8, 2014 before the Commissioner of Customs (Appeals). The matter is pending.
20. KPTL had preferred an application dated May 12, 2011 for the rectification of the assessment order passed by the Deputy Commissioner of Excise and Taxation, Kaithal, Haryana imposing tax of ₹ 3.74 million. Pursuant to the rectification order, the Deputy Commissioner disallowed labour expenses and directed the payment of tax of ₹ 0.19 million including interest of ₹ 88,000 after adjusting the refund. An appeal has been preferred against the said order dated September 26, 2014 before the Joint Excise and Taxation Commissioner, Haryana. The matter is currently pending.
21. The Commercial Tax Officer, Siliguri passed an assessment order dated March 19, 2007 against KPTL in relation to the financial year 2004-05 levying tax of ₹ 4.37 million, interest of ₹ 28,000, and penalty of ₹ 2,000. KPTL preferred an appeal before the Joint Commissioner of Commercial Tax, Siliguri who through his order dated December 30, 2009 partly allowed the appeal and reduced the liability to ₹ 1.23 million against KPTL. Aggrieved by the order of the Joint Commissioner, KPTL has filed an appeal dated March 9, 2011 before the Appellate and Revisional Board, Calcutta before which the matter is currently pending.
22. The Assistant Commissioner of Commercial Taxes, Belgaum passed an assessment order dated October 5, 2012 against KPTL in relation to the financial year 2009-10 disallowing deduction of ₹ 2.03 million towards subcontractors' charges and deduction of 30% towards labour and imposing a tax of ₹ 1.40 million. KPTL preferred an appeal before the Joint Commissioner of Commercial Tax, Belgaum who through his order dated June 4, 2013 further disallowed deduction of ₹ 7.13 million towards subcontractors' charges and imposed a further tax of ₹ 1.33 million, including a penalty of ₹ 0.24 million. KPTL has filed an appeal dated August 26, 2013 before the Appellate Tribunal before which the matter is currently

pending. The estimated tax liability is ₹ 2.18 million after adjusting for payments made by KPTL.

23. KPTL has filed an appeal dated March 10, 2014 before the Joint Commissioner of Commercial Taxes (Appeals), Belgaum against the order dated February 4, 2014 passed by the Commercial Tax Officer, Sales Tax Check Post, Nippani imposing penalty of ₹ 0.14 million in relation to the movement of a pipe bending machine without the filing of way bill in prescribed Form E-Sugam.
24. KPTL has filed an appeal dated August 25, 2014 before the Additional Commissioner of Commercial Taxes, Satna against the assessment order dated July 22, 2014 passed by the Assistant Commissioner of Commercial Taxes, Satna in relation to financial year 2011-12 imposing demand of VAT of ₹ 13.24 million, and entry tax of ₹ 4.50 million after adjusting refund due to KPTL. The assesment order was passed on a best judgment basis by assessing authority. The total estimated tax liability is ₹ 17.74 million. The matter is currently pending.
25. The Commercial Tax Officer, Chittorgarh, Rajasthan passed an assessment order dated September 20, 2012 against KPTL in relation to financial year 2009-10 disallowing input tax credit of ₹ 0.90 million and imposing penalty of ₹ 3.71 millions, being four times the disallowance. KPTL preferred an appeal against the said order before the Deputy Commissioner of Commercial Taxes (Appeals) who through his order dated August 13, 2013 set aside the order of the Commercial tax Officer, Chittorgarh to the extent of the penalty imposed. Aggrieved by the same, the Commercial Tax Officer has filed an appeal dated January 23, 2014 before the Appellate Tribunal, Ajmer, Rajasthan and the matter is currently pending.
26. The Deputy Commissioner of Commercial Taxes, Ahmedabad passed an assessment order dated March 31, 2009 against KPTL in respect of financial year 2005-06 imposing tax of ₹ 105.61 million, interest of ₹ 57.03 million, penalty of ₹ 10.56 million on account of non-submission of C/E-1 Forms during assessment in order for tax to be levied at concessional rate. KPTL preferred an appeal before the Joint Commissioner Of Commercial Taxes (Appeals) who through his order dated June 28, 2010 partly allowed the appeal of KPTL by reducing the tax to ₹25.22 million and interest to ₹ 13.62 million pursuant to the deposit of ₹ 25 million by KPTL. KPTL filed an appeal dated July 15, 2010 before the Appellate Tribunal which granted a stay order dated September 28, 2010 and allowed the submission of the pending forms till the next date of hearing. The C Forms are to be submitted by KPTL at the next hearing. The matter is currently pending.
27. KPTL has filed a rectification application dated June 30, 2009 before the Assistant Commissioner of Commercial Taxes, Satna against the assessment order dated March 19, 2009 passed by the Assistant Commissioner of Commercial Taxes, Satna in respect of financial year 2005-06 disallowing the credit of entry tax amounting to ₹ 0.92 million deposited by KPTL and imposing tax of ₹ 0.66 million, including penalty of ₹ 1,000. The matter is currently pending.
28. KPTL has filed a rectification application before the West Bengal Revisional Board, Kolkata, against the order dated March 30, 2012 passed by the Deputy Commissioner of Sales Tax, Siliguri in relation to financial year 2007-08, imposing a tax of ₹ 0.55 million. KPTL has contended that the said amount is in fact to be refunded by the commercial tax department owing to a typographical error in the assessment order stating that the said amount is tax payable by KPTL. The matter is currently pending.
29. KPTL has filed three appeals dated August 16, 2012 before the Additional Commissioner of Commercial Taxes Grade-II (Appeal II), Noida against three orders dated June 28, 2012, June 29, 2012 and June 28, 2012 passed by the Deputy Commissioner of Commercial Taxes, Gautambudhnagar on the ground of irregularity in way bills produced in relation to financial year 2009-10. The liabilities involved in the pending appeals are ₹ 56,000, ₹ 0.17 million, and ₹ 0.69 million respectively.
30. The Deputy Commissioner of Commercial Taxes, Gautambudhnagar has served a notice dated August 23, 2012 against KPTL for a demand of ₹ 60,000 for irregularities and defects in way bill produced in relation to financial year 2010-11. KPTL has filed its reply to the said notice. The matter is currently pending.
31. KPTL has filed an appeals dated February 3, 2011 before the Additional Commissioner of Commercial Taxes Grade-II (Appeal II), Noida against the order dated September 25, 2010 passed by the Deputy

Commissioner of Commercial Taxes, Gautambudhnagar on the ground of irregularity in way bill produced in relation to financial year 2009-10. The total liability involves is ₹ 0.63 million.

32. The Deputy Commissioner of Commercial Taxes, Gautambudhnagar has served a notice dated July 29, 2009 against KPTL for a demand of ₹ 0.44 million for irregularities and defects in way bill produced in relation to financial year 2008-09. KPTL has filed its reply to the said notice. The matter is currently pending.
33. The Joint Commissioner of Commercial Taxes, Kanpur has served a notice dated January 8, 2014 against KPTL for a demand of ₹ 0.2 million for irregularities and defects in way bill produced in relation to financial year 2013-14. KPTL has filed its reply to the said notice. The matter is currently pending.
34. The Assistant Commissioner of Commercial Taxes, Mobile Squad, Mainpuri, has served a notice dated April 2, 2010 against KPTL for a demand of ₹ 84,000 for irregularities and defects in way bill produced in relation to financial year 2010-11. KPTL has filed its reply to the said notice. The matter is currently pending.
35. KPTL filed an appeal dated June 3, 2014 before the Joint Commissioner of Commercial Tax, Ahmedabad against the assessment order dated March 26, 2014 passed by the Deputy Commissioner of Commercial Tax, Ahmedabad, imposing a tax of ₹ 2.19 million due to submission of multi-year Form C in relation to interstate sales of ₹ 33.99 million and sales in transit of ₹ 9.84 million. The matter is currently pending.
36. KPTL received a demand notice dated February 2, 2007 from the Commercial Tax Officer, Tonk, Rajasthan for the payment of entry tax of ₹ 0.95 million and interest of ₹ 95,405 totaling to ₹ 1.05 million for the financial year 2005-06. Aggrieved by the order, KPTL filed a writ petition dated March 22, 2007, against the State of Rajasthan through the Kar Bhawan, Jaipur, the Commissioner of Commercial Taxes, Jaipur, and the Commercial Taxes Officer, Tonk, seeking a declaration that the Entry Tax Act, 1999 is ultra vires the Constitution of India, along with a stay application against the recovery of the said amount. The High Court stayed the recovery by its order dated April 2, 2009 which was vacated by the division bench of Rajasthan High Court on January 21, 2011 which directed KPTL to deposit 50% of entry tax in cash and to furnish a security for the remaining amount. Pursuant to notice dated July 15, 2011 by the Commercial Taxes Officer, KPTL paid the entire demand of ₹ 1.77 million along with interest of ₹ 0.40 million and penalty of ₹ 4,000 that was payable till the date of order. The High Court through its order dated December 1, 2014 dismissed the writ petition filed by KPTL on the ground that a similar petition was pending before the Supreme Court. Subsequently, a special leave petition was filed on January 13, 2015 before the Supreme Court. The matter is currently pending.
37. KPTL filed a writ petition before the Rajasthan High Court, challenging the circular dated October 26, 2007 which denied the refund of entry tax of ₹ 3.15 million paid by KPTL for the financial years 2005-06, 2006-07 and 2007-08. The said petition was dismissed by the division bench of Rajasthan High Court on December 1, 2014. Against the said order, KPTL filed a special leave petition dated January 13, 2015 before the Supreme Court in relation to the constitutionality of the levy of such entry tax by the Tax Department, Government of Rajasthan for the financial years 2005-06, 2006-07 and 2007-08. The matter is currently pending before the Supreme Court.
38. KPTL received an assessment order from the Commercial Tax Officer (CTO), Tonk, Rajasthan on February 17, 2011 for the payment of entry tax ₹ 35,139 including interest of ₹ 11,125 and penalty of ₹ 1,000 for the year 2006-07. KPTL received a similar order on February 17, 2011 for the year 2007-08 raising demand of ₹ 0.91 million including interest of ₹ 0.27 million and penalty of ₹ 1,000. KPTL paid the demand amount and filed a writ petition challenging the demand raised for entry tax before High Court which was dismissed on December 1, 2014. Against the said order, KPTL filed a special leave petition dated January 13, 2015 before the Supreme Court. The matter is currently pending.
39. The Assistant Commissioner of Commercial Taxes, Tirunelveli junction, has passed an assessment order dated January 7, 2015 for the financial year 2012-13 raising demand of VAT of ₹ 16.22 million on account

of disallowance of VAT input tax credit, turnover estimation on best judgment basis and not considering refund due to KPTL.

40. KPTL received notices from the Municipal Corporation of Greater Mumbai (“MCGM”) on March 31, 2004 and August 31, 2004 March, determining property tax at a higher rate with retrospective effect, resulting into excess demand of ₹ 0.71 million. A similar notice was also received by KPTL for the year 2005-06 wherein the excess tax liability was ₹ 0.95 million. KPTL has disputed these demands with MCGM on the grounds that higher rate of tax cannot be imposed retrospectively. No fresh demand has been raised by MCGM. KPTL has provided the liability of principal amount of ₹ 1.66 million.

(V) Tax Matters in Foreign Jurisdictions

1. KPTL has received a notice dated July 14, 2012 from the Ethiopian Revenue and Custom Revenue Department, Ethiopia making a demand of 6.43 million Ethiopian Birr, under eleven customs bonds that allegedly were not renewed. The Ethiopian Revenue and Customs Appellate Tribunal has passed an order dated February 3, 2015 dismissing the appeal filed by KPTL. KPTL is yet to receive a certified copy of the said order.
2. KPTL received a notice in September, 2012 from the Ethiopian Revenue and Customs Authority directing the payment of depreciation tax of 3.85 million Ethiopian Birr in relation to the inter-project transfer of temporary imported tools, machinery and vehicles. KPTL has filed an application dated April 11, 2013 against the said notice before the Ethiopian Revenue and Customs Authority. The matter is currently pending.
3. KPTL has filed an appeal dated May 30, 2014 before the Senior Assistant Commissioner against the orders dated May 20, 2013 and April 3, 2013 respectively of the Kenya Revenue Authority and KETRACO, rejecting the VAT refund of 13.40 million Kenyan Shillings claimed by KPTL for the financial year 2011-12. The matter is currently pending.
4. KPTL received a notice dated January 29, 2014 from KETRACO directing the payment of withholding tax of 150.96 million Kenyan Shillings for the period from January 2009 to July 2012. KPTL has filed its reply dated January 31, 2014 stating that the deduction of the withholding tax is not its responsibility and that it had already paid taxes for the period in question, and that tax demand is on the supply portion of the invoice which is not liable to tax deduction. The matter is currently pending.
5. KPTL received notices dated November 28, 2011 (for the financial year 2006) and November 20, 2012 (for financial year 2007, 2008 and 2009), from the Algerian Tax Administration (DGE), directing the payment of income tax, VAT and tax on professional activities, amounting to USD 6.04 million in relation to the various projects executed by KPTL in Algeria. Out of the said demand, KPTL has upon receipt from the client, deposited an amount of USD 1.10 million with the Algerian Tax administration (DGE). The matter is currently pending.

(VI) Stamp Duty Proceedings

KPTL has filed an appeal before the Chief Controller (Recovery), Gandhinagar, against the order dated April 25, 2013 of the Deputy Collector (Stamp Duty), Gandhinagar, directing the impounding of the sale deeds of land situated at plot numbers 15, 16, 17, Tola Ram Campus, Sector 25, GIDC Estate, Gandhinagar. The total liability involved is ₹ 1.51 million. The matter is currently pending.

(VII) Motor Vehicle Accident Claims

1. Claims dated August 5, 2013, September 12, 2013 and September 11, 2013 were filed against New India Assurance Company, the vehicle owner and KPTL, before the Motor Accidents Claims Tribunal, Cooch Behar in relation to the road accident that caused the death of four persons. The said claims were filed by

Ms. Parati Barman, Ms. Sandhya Mahanta, Ms. Dipali Das, and Ms. Sibani Barman, the legal heirs of the deceased. The total liability involved is ₹ 1.77 million. The matter is currently pending.

2. The legal heirs of Mr. Batuk Singh Ratansinh Rathod have filed a claim dated April 2, 2009 against KPTL, in its capacity as motor vehicle owner before the court of the Judicial Magistrate (First class), Gandhinagar seeking compensation of ₹ 1.50 million for motor accident that caused the death of Mr. Rathod. KPTL is in the process of settling the matter through Lok Adalat.
3. The legal heirs of Ms. Jashodaben Chandrakant Pandya have filed a claim dated January 22, 2013 against KPTL in its capacity as motor vehicle owner, before the court of the Judicial Magistrate (First class), Gandhinagar seeking compensation of ₹ 10,000 for motor accident that caused the death of Ms. Pandya. KPTL is in the process of filing a reply to the same.
4. United India Insurance Company (“**United India**”) Limited has filed a petition against Mr. M. Joshi, Mr. P. Maikannan, and KPTL, *inter-alia*, before the Madras High Court, requesting for a stay against the operation of the order dated August 12, 2013 passed by the Special Subordinate Judge, Tirupattur, directing United India to pay compensation to the petitioners. The liability involved is ₹ 1.38 million.

(VIII) Arbitration Proceedings

Power Grid Corporation of India Limited (“**PGCIL**”) initiated arbitration proceedings dated November 28, 2001 against KPTL for a claim of ₹ 23.61 million, including interest, towards the refund of excise duty on fabrication of tower parts. The matter is currently pending.

(IX) Notices Against KPTL

1. KPTL received a legal notice dated November 20, 2014 from Bharti Overseas, the sub-contractor for the recovery of money of ₹ 0.98 million from KPTL. Subsequently, KPTL served a notice dated December 8, 2014 against Bharti Overseas for a counterclaim of ₹ 1.06 million. The notices are currently pending.
2. KPTL has received a legal notice dated December 19, 2014 from Mr. Abiy Masresha Mengistu, seeking payment of 0.11 million Ethiopian Birr, on account of rentals for hiring of certain construction machinery, for carrying out excavation works in relation to a project of KPTL in Ethiopia. KPTL in its reply dated December 29, 2014 has denied the allegations and liability of KPTL for any such payment. There has been no further communication in relation to the said matter.

B. Outstanding litigation filed by our Promoters

Except as stated below, there are no pending litigation proceedings, including disputed outstanding litigation and material developments or proceeding filed by our Promoter.

Kalpataru Power Transmission Limited

(I) Civil Proceedings

1. KPTL has filed a suit dated February 10, 2014 against Al-Buruj Trading PLC before the Federal High Court, Addis Ababa, Ethiopia, alleging delay on the part of the latter in supply of vehicles for the clients of KPTL. The court through its order dated July 31, 2014 directed Al-Buruj Trading PLC to pay 0.49 million Ethiopian Birr. KPTL has filed for execution proceedings of the said order on November 11, 2014.
2. KPTL in its letter dated October 10, 2012 has raised a claim of 61.93 million South African Rand against Umakho Power under a work contract as Umakho Power went bankrupt prior to completion of the work under the said contract. Thereafter, KPTL received a bailiff notice dated October 21, 2014 to appear as a witness on November 11, 2014 before the Commissioner appointed by the Magistrate at Cullinan Magistrate’s Court. On November 11, 2014, KPTL attended the hearing and submitted the documents as required and was excused from appearing as a witness by the Commissioner. The said letter is currently

pending.

(II) Criminal Proceedings

1. KPTL has filed five complaints dated November 10, 2014 and November 11, 2014 under Section 138, Negotiable Instruments Act against Rishi Infra Projects Private Limited (“**RIPPL**”) before the District Court of Calcutta alleging the dishonor of five cheques issued by Mr. D.N. Pathak and Mrs. Usha Pathak to KPTL and amounting to ₹ 19.10 million. The matter is yet to be listed.
2. KPTL filed a complaint dated November 18, 2010 under Section 138, Negotiable Instruments Act against Mr. Iqbal Singh Bhalla before the Chief Judicial Magistrate, Gandhinagar, for the dishonor of cheque of ₹ 2.51 million. The matter is currently pending.
3. KPTL has filed a complaint with the Padampur police station, Sriganganagar against Mr. Rammohan, an ex-employee, alleging that he committed fraud against KPTL while making purchases on behalf of KPTL. The amount involved was ₹ 1.50 million. KPTL has made an application before the Additional District Judge, Padampur for an order directing the police to include the name of Mr. Rammohan in the complaint. The matter is currently pending.
4. KPTL has filed a complaint dated October 12, 2010 under Section 138, Negotiable Instruments Act against Mr. Manoj Rai in the court of the Additional Magistrate, Udaipur, alleging the dishonour of cheque of ₹ 0.35 million issued by Mr. Rai to KPTL. The matter has been transferred to the Negotiable Instrument Act Metropolitan Magistrate Court, Mirazpur, Ahmedabad.
5. KPTL in its letter dated October 7, 2010 to the Ajmer police alleged that M/s. Shiv Shakti Engineers has committed fraud in handling the material provided by KPTL and providing a material reconciliation statement. Subsequently, KPTL filed a protest application under the CrPC before the court of the Judicial Magistrate, III, Ajmer, requesting the court to direct the police to register the FIR.
6. KPTL has filed a complaint dated March 29, 2010 against Mr. Akhilesh Gupta, alleging the commission of fraud in the execution of the project awarded by Uttaranchal Power Corporation Limited and forgery of bills and other documents. The Chief Judicial Magistrate, Pitrogarh has taken cognizance of the matter which is currently pending.
7. KPTL has filed a FIR dated December 24, 2014 against Mr. Ashish Chakravarty and others, alleging the commission of offences under Sections 452, 379, 427, 384, 506, 323 and 149 of the IPC for creating a ruckus at the Keonjhar office of KPTL. The charge sheet is yet to be filed against the accused.

(III) Arbitration Proceedings

1. KPTL initiated arbitration proceedings against Hindustan Petroleum Corporation Limited before a sole arbitrator for recovery of losses of ₹ 1030 million for termination of contract entered into between the parties. HPCL filed a counter claim claiming ₹ 2,174.50 million. The matter is currently pending.
2. KPTL has filed an application dated May 22, 2014 before the Delhi High Court under Section 11 of the Arbitration and Conciliation Act, 1996 for the appointment of an arbitrator to initiate arbitration proceedings against Rishi Infra Projects Private Limited (“**RIPPL**”). The matter relates to the money claimed by KPTL for the alleged default committed by RIPPL in completing work under a contract. The amount of claim involves is ₹ 80 million. The court has served summons on the respondent.
3. KPTL initiated arbitration proceedings dated December 17, 2013 against HPCL Mittal Pipelines Limited (“**HMPL**”) for a claim of ₹ 3,010 million with respect to the Mundra Bathinda pipeline project. HMPL raised a counter claim of ₹ 44,390 million against KPTL. Subsequently, HMPL filed an application dated December 2, 2014, under Section 14 of the Arbitration and Conciliation Act, before the Delhi High Court for termination of the mandate of the arbitral tribunal, alleging charging of exorbitant fees by the Tribunal. These matters are currently pending.

4. KPTL has filed an application dated January 6, 2015 under Section 9 of the Arbitration and Conciliation Act, 1996 against MRTS Signals Limited before the Delhi High Court in the apprehension of forfeiture of bank guarantee of ₹ 39 million submitted by KPTL. The matter relates to the disqualification of the bid submitted by the consortium of JMC, KPTL and MRTS Signals Limited to RVNL. The matter is currently pending.
5. KPTL has filed a statement of claim dated December 13, 2014 in arbitration proceedings initiated against Anand Corporation. The matter relates to the claim for loss of profit by KPTL on account of the land not being transferred to KPTL as per the sale deed entered into by KPTL and Anand Corporation. The claim amount involved is ₹ 233.55 million. The matter is currently pending.

Past penalties imposed on our Promoters

Except as stated in this Draft Red Herring Prospectus, there have been no cases in the past in which penalties were imposed against Mr. Aditya Bafna and Mr. Shubhendra Kumar Bafna.

Corporate Promoter

The details of penalties imposed against KPTL in the last five years are as follows:

1. KPTL paid penalty amounting to ₹ 0.20 million to the revenue department on account of establishment of store at agricultural land without prior permission in violation of Section 44(a) of the Maharashtra Land Revenue Act, 1966.
2. KPTL paid a penalty of ₹ 16,900 under Rules 238(1), 240, 241(1), 241(2)(a) and 241(5) under Building and Other Construction Workers (Regulation of Employment and Working Conditions) Act, 1996 for irregularity and delay in submission of details .
3. KPTL paid penalties amounting to ₹ 59,400 under the Road Transport Act, 1950 for violations in relation to overloading of material, excessive height of the crane, and submission of defective transit documents. Further , a penalty of ₹ 30,635 was paid as penalty in relation to the late payment of registration fees for new cranes payable under the Motor Vehicles Act, 1950.
4. KPTL paid penalty amounting to ₹ 0.23 million in relation to the non-submission of forms and documents at the check-post and as required under the Madhya Pradesh VAT Act, 2002 and the Bihar VAT Act, 2005.
5. KPTL paid penalty of ₹ 0.12 million under Uttar Pradesh VAT Act in relation to goods not properly accounted for as per the tariff in transit documents.
6. KPTL paid a penalty of ₹ 43,649 for late filing of initial security deposit and the submission of audited financial statements without a statement of Management's Responsibility resulting in breach of Corporation Code of Philippines.
7. KPTL paid penalty of ₹ 80,000 to the forest department on the ground that its crane passed through forest area without permission of forest officer.
8. KPTL paid penalty of ₹ 9,558 to the Ethiopian revenue and Customs authority Large Tax Payers Branch Office in relation to the delay in payment of income tax for the quarter-ended September 2013 and withholding tax pay for the period between August and September, 2013.
9. KPTL paid a penalty of ₹ 55,470 under Section 78 of Finance Act, 1991 for the non-payment of service tax on payment of services from MC Donald Hopkins LLC.
10. KPTL paid a penalty of ₹ 13,400 for wages paid at less than minimum wage rate under the Minimum Wages Act, 1948.

11. KPTL paid penalty of ₹ 0.14 million to the revenue department under the Land Revenue Act for using the land for non agriculture purpose.
12. KPTL paid a penalty of ₹ 6,000 for non-submission of books for VAT audit under the Tamil Nadu VAT Act, 2006.
13. KPTL paid penalty of ₹ 0.39 million to the Ethiopian Revenue and Customs Authority Large Tax Payers Branch Office on profit tax for the financial years 2009-10 and 2011-12 in accordance with the notification received after the tax audit conducted.
14. KPTL paid penalty of ₹ 9,393 to the Tanzania Revenue Authority for the delay in self-assessment.
15. KPTL paid penalty of ₹ 8,000 to the Pipad police station for theft of wire.
16. KPTL paid a fine of ₹ 5,650 to the Road Transport Office under the Motor Vehicles Act.
17. KPTL paid penalty of ₹ 5,595 for non- registration of SAP software under Bureau of Internal Revenue Regulation Number 9, 2009 of Philippines.
18. KPTL paid a penalty of ₹ 1,248 for delay in submission of report to Social Fund for Insurance in Ukraine.
19. KPTL paid a penalty of ₹ 312 to Ukraine Authority for absence of minor safety equipment under fire safety rules in office building.
20. KPTL paid a penalty of ₹ 17,200 to the Chhattisgarh and Punjab VAT authorities for late filing of returns..

Criminal proceedings initiated against our Promoters

Except as stated in this Draft Red Herring Prospectus, there are no criminal proceedings initiated against our Promoters which are outstanding as on the date of this Draft Red Herring Prospectus.

Litigation/ legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoters.

Except as stated in this Draft Red Herring Prospectus, no litigation/ legal action is pending or has been taken by any Ministry or Department of the Government or any statutory authority against our Promoters in the last five years.

The Company Law Board, Mumbai Bench, through its order dated September 19, 2011, allowed the application of KPTL for compounding of the offence committed under Section 113(1) of the Companies Act, 1956 in not issuing debenture certificates within a period of three months from the date of allotment. KPTL paid compounding fees of ₹ 20,000 in relation to the said matter.

Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters, for any economic offences.

Litigation/defaults in respect of companies/firms/ventures with which our Promoters were associated in the past

There is no pending litigation proceedings/defaults in respect of companies/ firms /ventures with which our Promoters were associated in the past and in which our Promoters' name continues to be associated.

Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons or entities connected with our Promoters with regard to non compliance with securities law.

Litigation against our Promoters for violation of statutory regulations

Except as stated in this Draft Red Herring Prospectus, there are no pending litigation proceedings initiated against our Promoters for violation of statutory regulations as on the date of this Draft Red Herring Prospectus.

IV. Litigation involving Group Entities

Except as stated below there is no litigation involving the Group Entities of our Company

JMC Projects (India) Limited (“JMC Projects”)

A. Outstanding litigation against JMC Projects (India) Limited

Civil Proceedings

1. BASF India Limited (“**BIL**”) and JMC Projects have filed separate applications dated April 25, 2007 under Section 34 of the Arbitration and Conciliation Act, 1996 before the City Civil Court, Ahmedabad, challenging the arbitral award dated January 27, 2007. The said award rejected a claim of ₹ 8.47 million by JMC Projects as well as the counter claim of ₹ 67.02 million made by BIL. The matter relates to cost escalation claimed by JMC Projects in the execution of civil and structural work. The matters are currently pending.
2. Bharat Heavy Plates and Vessels Limited (“**BHPV**”) has filed an appeal dated January 28, 2013 under Section 37 of the Arbitration and Conciliation Act before the High Court of Telangana and Andhra Pradesh, challenging an order dated November 15, 2014 of the Vishakapatnam district court, upholding an arbitral award dated July 18, 2008, directing BHPV to pay JMC Projects an amount of ₹ 6.48 million, interest of 8% per from the date of the award till the date payment, and costs of ₹ 0.15 million. The matter relates to alleged delay in completion of civil and structural work awarded by BHPV to JMC Projects. JMC Projects filed an execution petition dated July 2, 2014 before the Vishakapatnam district court. The said petition has not been registered, due to the appeal filed by BHPV, in which High Court has stayed execution of the arbitration award. These matters are currently pending.
3. Larsen & Toubro Limited (“**L&T**”) has filed an application dated January 27, 2009 under Section 34 of the Arbitration and Conciliation Act, 1996 before the City Civil Court, Ahmedabad, challenging the arbitral award dated November 14, 2008. The said award directed L&T to pay JMC Projects ₹ 44.56 million plus interest of 15% per annum from the date of reference till the date of award, within three months, failing which a further interest of 18% was to be paid from the date of award till payment. The matter relates to cost escalation claimed by JMC Projects in the construction of Ahmedabad - Mehsana road.
4. D.R. Garments Private Limited (“**DRGPL**”) filed an application dated July 15, 2013 under Section 34 of the Arbitration and Conciliation Act, 1996 before the Porbandar District Court, challenging the ex-parte arbitral award dated April 18, 2012. The said award directed DRGPL to pay ₹ 89.67 million against outstanding bills in relation to a contract granted to JMC Projects. Subsequently, JMC Projects, in its capacity as creditor of DRGPL, has filed a petition dated February 22, 2013 before the Gujarat High court for the winding up of DRGPL. These matters are currently pending.
5. Videocon Industries Limited (“**Videocon**”) has filed an application dated January 28, 2013 under Section 34 of the Arbitration and Conciliation Act, 1996 before the Bharuch district court, challenging the arbitral award dated September 6, 2011. The said award directed Videocon Industries Limited to pay ₹ 26.73 million plus interest, to JMC Projects. The matter relates to the damages claimed by JMC Projects in relation to alleged delay caused by Videocon Industries Limited in the construction of a production unit. The matter is currently pending. JMC Projects also filed an execution petition dated July 22, 2012 before

the Bharuch district court for the execution of the arbitral award. The said execution petition is pending disposal of the application filed by Videocon.

6. National Highway Authority of India (“**NHAI**”) filed a special leave petition dated February 3, 2012 before the Supreme Court of India against Agrawal- JMC Joint Venture, challenging the order passed by the division bench of the Delhi High Court whereby NHAI was directed to deposit the sum awarded on July 4, 2009 by an arbitral tribunal to Agrawal- JMC Joint Venture. This relates to the broadening and strengthening of NH- 45A and NH- 45B that was being undertaken by Agrawal- JMC Joint Venture. The matter is currently pending. Agrawal- JMC Joint Venture filed an execution petition dated November 25, 2011 against NHAI before the Delhi High Court which is yet to be listed for hearing owing to the pendency of the said special leave petition. The claim involved is ₹ 13.10 million plus interest.
7. National Highway Authority of India (“**NHAI**”) filed a special leave petition dated February 3, 2012 before the Supreme Court of India against Agrawal- JMC Joint Venture, challenging an order passed by the division bench of the Delhi High Court whereby NHAI was directed to deposit the sum awarded on July 4, 2009 by an arbitral tribunal to Agrawal- JMC Joint Venture. This relates to the broadening and strengthening of NH- 45A and NH- 45B that was being undertaken by Agrawal- JMC Joint Venture. The matter is currently pending. Agrawal-JMC Joint Venture filed an execution petition dated November 25, 2011 against NHAI before the Delhi High Court which is yet to be listed for hearing owing to the pendency of the said special leave petition. The claim involved is ₹ 22.70 million plus interest.
8. NHAI has filed a miscellaneous petition dated July 8, 2010 under Section 34 of the Arbitration and Conciliation Act before the Delhi High Court challenging the award dated March 29, 2010 passed by the arbitration tribunal under which NHAI was directed to pay a sum of ₹ 70.70 million plus interest to Agrawal- JMC Joint Venture. The matter relates to the broadening and strengthening of NH-45A and 45B that was being undertaken by Agrawal- JMC Joint Venture for delay during the execution of the project. The matter is currently pending.
9. National Highway Authority of India (“**NHAI**”) has filed a miscellaneous petition dated July 8, 2010 under Section 34 of the Arbitration and Conciliation Act, before the Delhi High Court challenging the award dated March 29, 2010 passed by the arbitration tribunal under which NHAI was directed to pay a sum of ₹ 69.40 million plus interest to Agrawal- JMC Joint Venture. The matter relates to the broadening and strengthening of NH- 45A and NH- 45B that was being undertaken by Agrawal- JMC Joint Venture for delay during the execution of the project. The matter is currently pending.
10. NHAI has filed a miscellaneous petition dated July 22, 2014 before the Delhi High Court, challenging an arbitral award dated April 30, 2014 directing NHAI to pay a sum of ₹ 399.90 million plus interest, to Agrawal-JMC Joint Venture. The matter is currently pending.
11. NHAI has filed a miscellaneous petition dated July 22, 2014 before the Delhi High Court, challenging the arbitral award dated April 30, 2014 directing NHAI to pay a sum of ₹ 446 million plus interest, to Agrawal-JMC Joint Venture. The matter is currently pending.
12. Delhi State Industrial Development Corporation (“**DSIDC**”) filed a suit dated February 25, 2008 against JMC- Associated Joint Venture for the recovery of the mobilization advance that had been paid to the latter in relation to the project of constructing a combined effluent treatment plant for DSIDC. The liability involved is around ₹ 2.2 million. The matter is currently pending.
13. Mr. Kannan, through his father Mr. Madhavan, filed a motor accidents claim before the Subordinate Court, Trichy in April, 2011, seeking compensation of ₹ 0.12 million. The matter relates to the injuries suffered by Mr. Kannan resulting from a collision with a lorry belonging to JMC Projects. The matter is currently pending.
14. Mr. R. Sathyaseelan filed a suit dated January 8, 2007 before the Trichy civil court against M/s. Sri Balaji Constructions, a sub-contractor of JMC Projects, and JMC Projects, for the recovery of dues of ₹ 0.35 million in relation to the work that was further contracted to him by M/s. Sri Balaji Constructions. The

court passed an order for attachment before judgment for an amount of ₹ 0.80 million. The said order has been stayed by the Madurai bench of the Madras High Court pursuant to revision petition dated July 18, 2008 filed by JMC Projects. Thereafter, the suit dated January 8, 2007 was dismissed for default of the plaintiff. An application to restore the suit has been filed by the plaintiff.

15. Mr. Sadaksharappa has filed a consumer complaint dated November 24, 2014 before the District Consumer Disputes Redressal Forum, Bangalore, against JMC Projects seeking a compensation of ₹ 0.12 million. The matter relates to the work order issued by JMC Projects to the complainant and the alleged default in not releasing the security deposit to him. The matter is currently pending.
16. Ms. Manju Godha, proprietor of M/s. R.V. Technocrats has filed a suit dated August 9, 2010 before the Additional District Court, Kota for recovery of ₹ 0.35 million from JMC Projects in relation to a work contracted by JMC Projects. The suit was dismissed by an order dated November 26, 2014. Ms. Godha has filed an application dated January 16, 2015 before the same court for the restoration of the said suit.

Labour Proceedings

1. Mr. Ramjibhai G. Gohil filed a suit dated September 25, 2002 against JMC Projects in the Ahmedabad Labour Court, claiming reinstatement to his terminated job and payment of back wage. The liability involved is ₹ 0.40 million. The matter is currently pending.
2. Mr. Satyanarayan Ojha filed a suit in December 2004 against JMC Projects in the Bhavnagar Labour Court claiming back wages or, in the alternative, compensation for permanent disability, in relation to the accident he suffered. The liability involved is ₹ 0.69 million. The matter is currently pending.
3. The legal representative of Late Mr. R. Krishna filed a suit in October, 2014 before Small Causes Court, Bangalore, claiming compensation of ₹ 0.90 million in relation to the death of Mr. Krishna based on the order dated April 4, 2013 of the Workmen's Commissioner awarding a sum of ₹ 0.73 million along with interest of 12% pa. from February 12, 2013. The matter is currently pending.

Indirect Taxation

1. The Sales Tax Officer, Kolkata through his assessment order dated June 30, 2011 imposed a VAT liability of ₹ 1.20 million on JMC Projects in relation to financial year 2008-09. JMC Projects filed an appeal dated June 30, 2011 before the Joint Commissioner, Kolkata who through his order dated July 27, 2012 enhanced the tax payable to ₹ 7.19 million. Aggrieved by the same, JMC Projects has filed an appeal dated November 5, 2012 before the Commercial Taxes Appellate and Revisional Board, Kolkata. The matter is currently pending.
2. The Sales Tax Officer through his assessment order dated August 16, 2012 imposed a VAT liability of ₹ 8.32 million on JMC Projects for the financial year 2009-10. Aggrieved by the same, JMC Projects filed an appeal dated October 31, 2012 before the Joint Commissioner, Kolkata who passed an order dated March 25, 2013 revising the demand to ₹ 10.58 million. JMC Projects is in the process of filing an appeal before the Commercial Taxes Appellate and Revisional Board, Kolkata.
3. The Sales Tax Officer, Kolkata through his assessment order dated April 22, 2014 imposed a VAT liability of ₹ 37,873 on JMC Projects for the financial year 2011-12. Aggrieved by the same, JMC Projects filed an appeal dated June 10, 2014 before the Deputy Commissioner, Kolkata. The matter is currently pending.
4. The Commercial Tax Officer, Ahmedabad through his assessment order dated March 31, 2012 directed JMC Projects to pay a sum of ₹ 25 million (₹ 0.80 million towards VAT, ₹ 6.54 million towards CST, ₹ 6.63 million towards interest, ₹ 11.03 million towards penalty) owing to the non-submission of Form C and enhanced taxable turnover under the applicable VAT Act for the financial year 2006-07. Subsequently, JMC Projects filed an appeal dated April 13, 2012 before the Deputy Commissioner of Commercial Taxes, Ahmedabad, which upheld the assessment order dated March 31, 2012. Aggrieved by the same, JMC

Projects filed an appeal dated February 27, 2013 before the Gujarat Value Added Tax Tribunal. The matter is currently pending.

5. The Commercial Tax Officer, Ahmedabad through his assessment order dated April 11, 2014 directed JMC Projects to pay a sum of ₹ 12.63 million (₹ 3.83 million towards VAT, ₹ 2.89 million towards interest and ₹ 5.91 million towards penalty) for the financial year 2009-10. JMC Projects has filed an appeal dated April 25, 2014 against the said assessment order before the Deputy Commissioner, (Appeals-I), Ahmedabad. The matter is currently pending.
6. The Commercial Tax Officer, Bhopal through his assessment order dated June 20, 2012 imposed a VAT liability of ₹ 2.36 million for the financial year 2009-10. Subsequently, JMC Projects filed an appeal November 20, 2012 before the Deputy Commissioner of Commercial Tax, Appeals, Bhopal. The Appellate Authority passed an order dated September 2, 2013 and duly revised the liability of ₹ 1.56 million. Aggrieved by the same, JMC Projects has filed an appeal dated March 28, 2014 before the Appellate Authority, Bhopal. The matter is currently pending.
7. JMC Projects filed a writ petition dated September 24, 2010 before the High Court, Jabalpur praying that the assessment order should be quashed and to direct a reassessment after duly considering the TDS certificate so denied in relation to financial year 2007-08. The High Court through its order dated January 7, 2014 quashed the assessment order dated July 29, 2010 passed by the Assistant Commissioner of Commercial Taxes, Bhopal and remanded the case back to the assessing authority. The liability involved is ₹ 13.42 million. The matter is currently pending.
8. JMC Projects filed a writ petition dated September 14, 2011 before the High Court, Jabalpur praying that the assessment order should be quashed and to direct re-assessment order after duly considering the TDS certificate so denied in relation to financial year 2008-09. The High Court through its order dated January 7, 2014 quashed the assessment order dated May 5, 2011 passed by the Assistant Commissioner of Commercial Taxes, Bhopal and remanded the case back to the assessing authority. The liability involved is ₹ 21.31 million. The matter is currently pending.
9. The Deputy Commissioner of Commercial Taxes, Pune through his assessment order dated March 10, 2014 has imposed a VAT liability of ₹ 14.52 million (₹ 7.06 million towards VAT and ₹ 7.46 million towards interest) on JMC Projects for the financial year 2006-07. Aggrieved by the same, JMC Projects has filed an appeal dated May 8, 2015 before the Joint Commissioner (Appeals), Pune. The matter is currently pending.
10. The Deputy Commissioner of Commercial Taxes, Pune through his assessment order dated May 17, 2013 has imposed a VAT liability of ₹ 1.51 million on JMC Projects for the financial year 2007-08. Aggrieved by the same, JMC Projects has filed an appeal dated October 28, 2014 before the Joint Commissioner (Appeals), Pune. The matter is currently pending.
11. The Deputy Commissioner of Commercial Taxes, Pune through his assessment order dated May 17, 2013 has imposed a VAT liability of ₹ 78.92 million (₹ 44.07 million towards VAT, ₹ 34.85 million towards interest) on JMC Projects for the financial year 2008-09. Aggrieved by the same, JMC Projects has filed an appeal dated July 30, 2014 before the Joint Commissioner (Appeals), Pune. The matter is currently pending.
12. JMC Projects has filed a writ petition dated July 5, 2010 against Commercial Tax Officer, Vishakapatnam before the Andhra Pradesh High Court, for an order by the court quashing the assessment order passed in relation to financial year 2008-09, directing a re-assessment and a refund of the amount collected. The total liability involved is ₹ 16.70 million. The matter is currently pending.
13. The Deputy Commissioner of Commercial Taxes, Dehradun through his assessment order dated May 7, 2014 imposed a VAT of ₹ 54.90 million against JMC Projects for the financial year 2010-11. JMC Projects has filed an application dated August 11, 2014 before the Deputy Commissioner, Dehradun. The matter is currently pending.

14. The assessing authority, New Delhi, through his assessment order dated July 3, 2014 has imposed VAT ₹ 48.90 million (₹26.05 million towards VAT, ₹ 5 million towards interest, ₹ 17.85 million towards penalty) against JMC Projects for the financial year 2012-13. Aggrieved by the same, JMC Projects has filed an objection dated September 3, 2014 before the Objection Hearing Authority-New Delhi. The matter is currently pending.
15. The assessing authority, New Delhi, through his assessment order dated December 05, 2014 has imposed a sum of ₹3.27 million (₹1.60 million towards VAT, ₹ 82,247 towards interest, ₹ 1.59 million towards penalty) against JMC Projects for the period April 2013 to December, 2013 of financial year 2013-14. Aggrieved by the same, JMC Projects has filed an objection dated December, 09, 2014 before the Objection Hearing Authority, New Delhi. The matter is currently pending
16. The Department of Sales Tax, Government of Tamil Nadu filed an appeal against Agrawal-JMC JV (“**Agrawal-JMC**”) before the Sales Tax Appellate Tribunal (Additional), Madurai. This matter relates to the assessment of taxable turnover of Agrawal-JMC for the year 2005-06. The Department alleged that turnover declared by Agrawal-JMC was less by an amount of ₹0.38 million. Therefore, a penalty of ₹ 27,657 was levied against Agrawal-JMC. The Appellate Deputy Commissioner of Commercial Taxes, Thiruchirappalli through an order dated January 18, 2012 remanded the matter back to Commercial Tax Officer for re-assessing the nature of the difference of ₹ 0.38 million. The Department filed an appeal against the said order, before the Appellate Sales Tax Tribunal (Additional), Madurai, which is pending.

Service Tax

1. The Commissioner of Service Tax, Ahmedabad issued a show cause notice dated October 28, 2010 in relation to the period between June 1, 2007 to July 31, 2008 asking JMC Projects to explain why the following amounts should not be levied a) ₹ 217.90 million towards service tax; b) ₹ 217.90 million towards penalty plus ₹ 200 per day for each day of non- compliance; c) 18% interest per annum. Subsequently an appeal dated December 17, 2013 was filed before the Customs Excise and Service Tax Appellate Tribunal which upheld the show cause notice through its order dated March 31, 2014. Aggrieved by the same, JMC Projects filed an appeal dated April 22, 2014 before the Ahmedabad High Court. The High Court, through its order dated April 25, 2014 remanded the case to the Commissioner of Service Tax, Ahmedabad, before whom it is pending. The total liability involved is ₹ 435.80 million.
2. The Commissioner of Service Tax, Ahmedabad issued a show cause notice dated October 29, 2010 in relation to the period between August 1, 2008 and July 31, 2009, asking JMC Projects to explain why the following amounts should not be levied a) ₹ 42.20 million towards service tax; b) ₹ 42.20 million towards penalty plus ₹ 200 per day for each day of non-compliance; c) 18% interest per annum. Subsequently an appeal dated December 17, 2013 was filed before the Customs Excise and Service Tax Appellate Tribunal which upheld the show cause notice through its order dated March 31, 2014. Aggrieved by the same, JMC Projects filed an appeal dated April 22, 2014 before the Ahmedabad High Court. The High Court, through its order dated April 25, 2014 remanded the case to the Commissioner of Service Tax, Ahmedabad before whom it is pending. The total liability involved is ₹ 84.40 million.
3. The Commissioner of Service Tax, Ahmedabad issued a demand notice dated September 14, 2011 in relation to the period between August 1, 2009 and June 30, 2010, directing JMC Projects to pay service tax at 12.36% of the gross value of a bill, the tax on which amounts to ₹ 9.40 million and imposing a penalty of ₹ 9.40 million plus ₹ 200 per day, and interest at 18% per annum. Aggrieved by the same, JMC Projects has filed an appeal dated September 14, 2011 before the Customs Excise and Service Tax Appellate Tribunal, Ahmedabad before whom the matter is currently pending. The total liability involved is ₹ 18.80 million.
4. The Commissioner of Service Tax, Ahmedabad issued a demand notice dated January 1, 2013 in relation to period between July 1, 2010 and June 30, 2011, directing JMC Projects to pay service tax at 12.36% of the gross value of the entire bill, the tax on which amounts to ₹ 0.80 million and imposing a penalty of ₹ 0.80 million plus ₹ 200 per day, and interest at 18% per annum. Aggrieved by the same, JMC Projects has filed

an appeal dated April 4, 2014 before the Customs Excise and Service Tax Appellate Tribunal, Ahmedabad before which the matter is currently pending. The total liability involved is ₹ 1.60 million.

5. The Commissioner of Service Tax issued a show cause notice dated January 9, 2008 in relation to the period between November 16, 1997 and May 31, 1998, asking JMC Projects to show cause as to why service tax of ₹ 0.22 million should not be levied on freight amount in relation to the year 1997-98. JMC Projects in its reply dated February 25, 2008 stated that service tax should be determined on actual freight amount as per the certificate of the chartered accountant. The matter is currently pending.

Income Tax

1. The DCIT, Ahmedabad through his assessment orders dated March 22, 2007 disallowed the following deductions for the assessment year 2005-06: a) ₹ 5.47 million towards employer's and employee's contribution to provident fund ; b) ₹ 16,017 towards employer's and employees' contribution to employees state insurance. JMC Projects filed an appeal before the CIT (Appeals), Ahmedabad, who through his order dated October 3, 2007 granted relief to the assessee in respect of employee state insurance and employer's contribution of provident fund and confirmed the disallowance of employee's contribution amounting to ₹ 2.74 million. Aggrieved by the same, JMC Projects filed an appeal before ITAT, Ahmedabad. ITAT, Ahmedabad, through its order dated March 28, 2008, quashed the order of CIT (Appeals). The DCIT, Ahmedabad has filed an appeal before Gujarat High Court against the order passed by ITAT, Ahmedabad for the reversal of the deductions allowed. The High Court through its order dated December 27, 2013 quashed the order passed by ITAT in deleting the disallowance on account of delayed payment of employee's contribution towards provident fund and employees state insurance. The matter is currently pending the Supreme Court.
2. The DCIT, Ahmedabad through his assessment order dated May 27, 2008 made an addition of ₹ 11.98 million to the taxable income of our Company in relation to the assessment year 2006-07 including towards the following deductions that were disallowed: a) ₹ 0.40 million towards delayed payment of provident fund and employees state insurance; b) ₹ 0.35 million towards gift, boni and chandla expenses; c) ₹ 11.23 million towards defect liability provision. JMC Projects has also received a notice dated November 12, 2009 under Section 271(1) (c) of the Income Tax Act, initiating penalty proceedings on the ground that it had concealed income or furnished inaccurate information. JMC Projects has filed an appeal before the CIT (Appeals) who through his order dated May 4, 2009 allowed the appeal except to the extent of the disallowance of ₹ 0.15 million towards gift, boni and chandla expense. JMC preferred an appeal against the disallowance of ₹ 0.15 million. The Income Tax Department has preferred an appeal to the ITAT for allowing the defect liability provision and the gift expense. The matter is pending before ITAT. The liability involved is ₹ 11.83 million of which 33.66% is shown as contingent liability.
3. The ACIT, Ahmedabad through his assessment order dated December 21, 2009 made an addition of ₹ 53.01 million to the taxable income of our Company in relation to assessment year 2007-08 including towards deduction of ₹ 7.27 million towards leave encashment and gratuity provision that was disallowed. JMC Projects has also received a notice under Section 271(1)(c) of the Income Tax Act stating that it had concealed income or furnished inaccurate information and a penalty of ₹ 2.56 million was levied by the assessing officer. Subsequently, JMC Projects filed an appeal before the CIT (Appeals) who disallowed ₹ 0.3 million towards expenses of gift, boni, chandla and ₹ 7.71 million towards leave encashment. JMC Projects has filed an appeal dated November 14, 2011 before the ITAT, Ahmedabad against the order of the CIT (Appeals). The total liability involved is ₹ 8.01 million, of which ₹ 1.54 million is shown as contingent liability. The matter is currently pending.
4. The ACIT, Ahmedabad through his assessment order dated December 27, 2010 made an addition of ₹ 131.60 million to the taxable income of our Company in relation to assessment year 2008-09 including towards the following deductions that were disallowed: a) ₹ 27.01 million towards leave encashment and gratuity provision; b) ₹ 61.21 million towards defect liability provision; c) ₹ 43.17 million, Income Tax Act due to the retrospective amendment excluding works contract. Further a sum of ₹ 244.30 million was also added back to the taxable income. JMC Projects has also received a notice dated December 6, 2012 under

Section 271(1)(c) of the Income Tax Act initiating penalty proceedings on the ground that it had concealed income or furnished inaccurate information. JMC Projects has filed an appeal dated April 14, 2014 before the CIT (Appeals), Ahmedabad. The total liability involved is ₹ 100.15 million. The matter is currently pending.

5. The ACIT, Ahmedabad through his assessment order dated March 28, 2014 disallowed the following deductions for the assessment year 2009-10: a) ₹ 79.91 million towards defect liability provision; b) ₹ 20.90 million under Section 80IA, Income Tax Act due to the retrospective amendment excluding works contract. Further a sum of ₹ 346.88 million was also added back to the taxable income in form of gross profit added during block assessment. JMC Projects has also received a notice dated March 28, 2014 under Section 271(1)(c) of the Income Tax Act initiating penalty proceedings on the ground that it had concealed income or furnished inaccurate information. JMC Projects has filed an appeal dated April 14, 2014 before the CIT (Appeals), Ahmedabad. The total liability involved is ₹ 208.13 million. The matter is currently pending.
6. The ACIT, Ahmedabad through his assessment order dated March 28, 2014 disallowed the following deductions for the assessment year 2010-11: a) ₹ 87.26 million towards defect liability provision; b) ₹ 277.29 million under Section 80IA, Income Tax Act due to the retrospective amendment excluding works contract. Further a sum of ₹ 196.38 million was also added back to the taxable income in form of gross profit added during block assessment. JMC Projects has also received a notice dated March 28, 2014 under Section 271(1)(c) of the Income Tax Act initiating penalty proceedings on the ground that it had concealed income or furnished inaccurate information. JMC Projects has filed an appeal dated April 14, 2014 before the CIT (Appeals), Ahmedabad. The total liability involved is ₹ 275.27 million. The matter is currently pending.
7. In relation to assessment year 2011-12, the ACIT, Ahmedabad through his assessment order dated March 28, 2014 disallowed deduction of ₹ 144.49 million under section 80IA, Income Tax Act due to the retrospective amendment excluding works contract. Further the following additions were made to the taxable income of JMC Projects: a) ₹ 1.83 million on account of leave encashment for; b) a sum of ₹ 15.11 million was added back to the gross profit. JMC Projects has also received a notice dated March 28, 2014 under section 271(1)(c), Income Tax Act for the imposition of penalty on the ground that it had concealed income or furnished inaccurate information. JMC Projects has filed an appeal dated April 14, 2014 before the CIT (Appeals), Ahmedabad against the said assessment as it had already paid minimum alternate tax. The matter is currently pending.
8. In relation to assessment year 2012-13, the ACIT, Ahmedabad through his assessment order dated March 28, 2014 disallowed deduction of ₹ 92.65 million under section 80IA, Income Tax Act due to the retrospective amendment excluding works contract. Further a sum of ₹ 429.80 million was added back to the gross profit. JMC Projects has also received a notice dated March 28, 2014 under section 271(1)(c), Income Tax Act for the imposition of penalty on the ground that it had concealed income or furnished inaccurate information. JMC Projects has filed an appeal dated April 14, 2014 before the CIT (Appeals), Ahmedabad against the said assessment. The total claim involved is ₹ 349.52 million. The matter is currently pending.
9. The Income Tax Department, Ahmedabad has filed an appeal dated October 20, 2014 before the ITAT, Ahmedabad against JMC- ATEPL Joint Venture, challenging the order dated June 10, 2014 passed by the Commissioner of Income Tax (Appeals), Ahmedabad, in relation to assessment year 2011-12, whereby the tax imposition was ₹ 16.57 million. The matter is currently pending.
10. The Income Tax Department, Ahmedabad has filed an appeal dated October 20, 2014 before the ITAT, Ahmedabad against JMC- PPPL Joint Venture, challenging the order dated June 10, 2014 passed by the CIT (Appeals), Ahmedabad in relation to the assessment year 2011-12, whereby the tax imposition was ₹ 0.92 million. The matter is currently pending.
11. Agrawal- JMC Joint Venture has filed an appeal dated January 16, 2014 before the CIT (Appeals), Ahmedabad, challenging the assessment order dated January 1, 2014 passed by the Income Tax

Department, Ahmedabad in relation to assessment year 2011-12, disallowing the following items: a) claim under Section 80IA, Income Tax Act amounting to ₹ 4.32 million, b) interest of ₹ 1.12 million on tax refund. Agrawal- JMC Joint Venture was directed to pay tax of ₹ 1.97 million plus penalty. Agrawal-JMC Joint Venture has paid a sum of ₹ 0.50 million. The matter is currently pending.

12. The Income Tax Department, Ahmedabad has filed an appeal dated October 20, 2014 before the ITAT, Ahmedabad against JMC- Taher Ali Joint Venture, challenging the order dated March 13, 2014 passed by the Commissioner of Income Tax (Appeals), Ahmedabad, in relation to assessment year 2010-11, whereby the tax imposition of ₹ 9.02 million was deleted. The matter is currently pending.
13. Agrawal- JMC Joint Venture has filed an appeal before the CIT (Appeals), Ahmedabad, challenging the assessment order dated April 4, 2011 passed by the assessing authority in relation to assessment year 2009-10 disallowing claim under Section 80IA, Income Tax Act amounting to ₹ 23.29 million, of which ₹ 7.92 million is shown as contingent liability. The CIT (Appeals) passed an order dated September 5, 2012 allowing the said deduction. Thereafter, the Department has preferred an appeal before ITAT, Ahmedabad against the order passed by the CIT (A). The matter is currently pending.
14. Agrawal- JMC Joint Venture filed an appeal dated April 2, 2013 before the CIT (Appeals), Ahmedabad, challenging the assessment order dated January 19, 2013 passed by the Income tax Department, Ahmedabad in relation to assessment year 2010-11, disallowing claim under Section 80IA of the Income Tax Act amounting to ₹ 34.41 million. The Department raised a demand of ₹ 12.42 million and directed the payment of 25% of the said demand. Agrawal- JMC Joint Venture has paid ₹ 3.10 million to the Department. The matter is currently pending.

Pending Notices Against JMC Projects

1. JMC Projects have received a notice dated November 26, 2014 from M/s. Aggcon Equipments International Private Limited (“Aggcon”) for a claim of ₹ 6.72 million plus interest of 24% per annum, raised against JMC-CHEC Joint Venture. The said notice pertains to the work orders granted to Aggcon and the claim has been raised on account of idling of machinery and man power. JMC-CHEC Joint Venture has sent its reply. There has been no further communication in relation to this matter.
2. JMC Projects received a legal notice dated March 26, 2013 from Mr. Satyadev and others, claiming ₹ 2,000 per day from August 26, 2013 for the extended use of the land after the expiry of the license to JMC Projects. JMC Projects in its reply dated April 29, 2014 denied the claim stating that the payments due under the license agreement had been made and no further payments were due as the said land was acquired by the Government and handed over to JMC Projects. No further communication has been received in relation to the said notice.
3. JMC Projects received a notice dated January 16, 2014 from People Tree Enterprises for the recovery of ₹ 91,182 in relation to the supply of labour to JMC Projects. JMC Projects in its reply dated January 30, 2014 denied the said claim and invited People Tree Enterprises to settle the accounts according to the terms of the work order. There has been no further communication in relation to the said notice.
4. JMC Projects received a notice dated March 14, 2014 from Mr. Rajesh Pandey for the recovery of: a) ₹ 0.95 million under the bill of quantities; b) ₹ 0.22 million as security deposit in relation to the work contacted to Mr. Pandey by JMC Projects. JMC Projects in its reply dated May 26, 2014 denied the above claims and stated that the payment had already been made in accordance with the terms of the work order granted to Mr. Pandey. There has been no further communication in relation to the said matter.

B. Outstanding litigation filed by JMC Projects (India) Limited

Civil Proceedings

1. JMC raised a claim against Madhya Pradesh Road Development Corporation (“MPSRDC”) for reimbursement of entry tax paid on high speed diesel, which was rejected by MPSRDC. This is in connection with the project of rehabilitation and strengthening of Badanvar-Thandla road. The matter was initially referred to the Dispute Advisory Board under the contract and then to arbitration. The arbitral award directed the payment of ₹ 17.20 million to JMC Projects. MPSRDC challenged the award before the District Court which set aside the award on the ground that the arbitration should have been conducted in accordance with MP Madhyastham Adhiniyam. JMC filed an appeal dated February 14, 2014 before the Jabalpur High Court, challenging the decision of the district court. The matter is pending.
2. JMC Projects filed a suit dated December 5, 2012 before the Additional City Civil Judge, Bangalore against Minerva Executive Apartments Private Limited (“Minerva”) for the recovery of ₹ 40.09 million in relation to the construction work undertaken by JMC Projects. The said suit was decreed ex-parte against Minerva on June 5, 2013. JMC Projects has filed an execution petition dated October 3, 2013 before the City Civil Court, Bangalore for the execution of the said decree. Aggrieved by the ex-parte decree, Minerva has filed an application dated March 13, 2014 before the Additional City Civil Judge, Bangalore to set aside the same. These matters are currently pending.
3. JMC Projects has filed a recovery suit dated December 11, 2011 before the City Civil Court, Secunderabad against Bhagyanagar Infrastructure Limited, Megasoft Limited, Subramnaiya Constructions Limited, and Prakruti Infrastructure Limited for the non-payment of ₹ 165.90 million owed in relation to the construction work executed by JMC Projects. The contract for the execution of construction work was awarded by Bhagyanagar Infrastructure Limited and it was agreed subsequently that Prakruti Infrastructure Limited would make the payments to JMC Projects. JMC Projects, in its capacity as creditor of, has also filed a petition dated February 16, 2010 before the Andhra Pradesh High court for the winding up of M/s. Bhagyanagar Infrastructure Limited. These matters are currently pending.
4. JMC Projects applied for mining license in relation to construction of four lane highway for NHAI. Revenue department levied penalty of about ₹ 3.40 million against JMC Projects for quarrying in the land without approvals. JMC Projects challenged the decision before the District Collector, Madurai who remanded the matter to Revenue Divisional Officer, Madurai (“RDO”). The RDO revised the penalty to be paid. Subsequently, JMC Projects preferred an appeal before the District Collector who upheld the order of RDO. Aggrieved by the same, JMC Projects filed an appeal before the Commissioner, Geology and Mining who upheld the order passed by District Collector. Thereafter, JMC Projects challenged the order of the Commissioner, Geology and Mining before the Principal Secretary, Industries Department, Government of Tamil Nadu, who upheld the order of the Commissioner, Geology and Mining. JMC Projects has filed a review petition in August, 2013 before the Principal Secretary for review of the order so passed. The matter is currently pending.
5. JMC Projects applied for mining license in relation to construction of four lane highway for NHAI. Revenue department levied penalty of about ₹ 1.60 million against JMC Projects for quarrying in the land without approvals. JMC Projects challenged the decision before the District Collector, Madurai who remanded the matter to Revenue Divisional Officer, Madurai (“RDO”). The RDO revised the penalty to be paid. Subsequently, JMC Projects preferred an appeal before the District Collector who upheld the order of RDO. Aggrieved by the same, JMC Projects filed an appeal before the Commissioner, Geology and Mining who upheld the order passed by the District Collector. Thereafter, JMC Projects filed an appeal dated December 16, 2010 before the Principal Secretary, Industries Department, Government of Tamil Nadu, which is currently pending.
6. JMC Projects filed a special leave petition dated February 10, 2012 before the Supreme Court of India, challenging the order of the Allahabad High Court whereby the writ petition filed by JMC Projects against the State of Uttar Pradesh was dismissed. The writ petition was filed to challenge the constitutionality of the levy of transit fee under Uttar Pradesh Transport of Timber and Other Forest Produce Rules, 1978. The matter is currently pending.

7. JMC Projects has filed a suit dated April 3, 2014 before the Principal City Civil Judge, Bangalore, against Vikram Enterprises for the recovery of money of ₹ 0.56 million that was paid in excess by JMC Projects. The matter is currently pending.
8. JMC Projects filed a suit dated August 3, 2006 before the Delhi High Court for the recovery of money of ₹ 35.40 million from RITES Limited. RITES Limited had deducted the said amount from the final bill submitted by JMC Projects towards liquidated damages and penalty for the delay allegedly caused by JMC Projects in the execution of construction work. The matter is currently pending.
9. JMC Projects filed two suits dated April 29, 2005 before City Civil Court, Ahmedabad against Victor India Limited for the recovery of ₹ 0.50 million and ₹ 0.30 million, respectively for the non- completion of the work sub-contracted to it by JMC Projects.

Criminal Proceedings

1. JMC Projects filed a complaint dated January 7, 2009 before the Chief Judicial Magistrate, Ahmedabad (Rural) against D.R. Garments (India) Private Limited and its directors, alleging that the cheque issued by it for ₹ 15 million in favour of JMC Projects was dishonoured. The matter has been transferred to the Judicial Magistrate First Class, Ahmedabad, before whom it is currently pending.
2. JMC Projects filed a complaint dated in April, 2009 before the court of the XVIth Additional Chief Metropolitan Magistrate, Bangalore, against Specific Fabs, alleging that the cheque issued by them for ₹ 0.35 million in favour of JMC Projects was dishonoured. The matter is currently pending.
3. JMC Projects filed a complaint dated June 25, 2013 before the court of the VIIth Additional Chief Metropolitan Magistrate, Hyderabad against Sri Srinivasa and Company, and P. Subba Rao, alleging that the cheque issued by Sri Srinivasa and Company for ₹ 2 million in favour of JMC Projects was dishonoured. The matter is currently pending.
4. JMC Projects (India) Limited has filed a complaint dated March 25, 2008 before the court of the XIth Additional Chief Metropolitan Magistrates, Bangalore against Mr. V. T. Srinivasan, alleging that the cheque issued by him for ₹ 0.52 million in favour of JMC Projects was dishonoured. The matter is currently pending.
5. JMC Projects filed a complaint in April, 2009 against Prakruti Infrastructure and Development Company Limited (“**Prakruti Infrastructure**”) before the Magistrate, Bangalore, alleging the dishonour of cheque of ₹ 34.21 million issued in favour of JMC Projects. The Magistrate, through his order dated October 5, 2012, found that Prakruti Infrastructure was guilty of the offence under Section 138, Negotiable Instrument Act, 1881. Subsequently, Prakruti Infrastructure preferred an appeal before the Sessions Court, Bangalore, which upheld the order of the Magistrate. Aggrieved by the same, Prakruti Infrastructure has filed a criminal revision petition dated November 10, 2014 before the Karnataka High Court, which is currently pending.

Arbitration Proceedings

1. JMC Projects has filed a statement of claim dated May 7, 2014 before the Madhya Pradesh Arbitration Tribunal against Bhopal Municipal Corporation in relation to the payment of ₹ 46.49 million owed to JMC Projects for supplying, laying, jointing, testing and commissioning of sanitary sewer. The matter is currently pending.
2. JMC Projects filed arbitration petition number 129/ 2014 in September, 2014 before the Madhya Pradesh Arbitration Tribunal against Madhya Pradesh Road Development Corporation for the payment due to it for the service of value engineering rendered by JMC Projects under the contract for redesigning of certain bridges. The claim involved is ₹ 16.06 million. The matter is currently pending.

3. JMC Projects has initiated arbitration proceedings on February 27, 2012 against the Delhi Metro Rail Corporation (“**DMRC**”) before an arbitration tribunal due to the additional costs incurred by it in relation to the delay caused in the execution of the construction contract awarded by the Delhi Metro Rail Corporation. The claim involved is ₹ 55.20 million. The matter is currently pending.
4. JMC Projects has initiated arbitration proceedings against CPWD before an arbitration tribunal for a claim of ₹ 84.90 million in relation to the following items: a) reimbursement for payment of VAT paid by JMC Projects; b) applicability of market rates for extra/ deviated items, etc. The statement of claim and the statement of defence have been filed. The matter is currently pending.
5. JMC Projects has filed a statement of claim dated April 30, 2014 against Bharat Heavy Electricals Limited (“**BHEL**”) before an arbitral tribunal for a claim of ₹ 11 million in relation to the reimbursement of service tax paid by JMC Projects. The matter is currently pending.
6. JMC- Taher Ali Joint Venture has initiated arbitration proceedings before the Madhya Pradesh Madhyastham Adhikaran in January, 2014 against Indore Municipal Corporation (“**IMC**”) for the recovery of money towards the following items: a) recovery of amount due under the final invoice including the payment of mobilization advance that had been withheld, b) reimbursement for liquidated damages deducted from the bill, c) and escalation costs. The matter relates to the execution of a work contract awarded by the IMC. The claim involved is ₹ 9.14 million. The matter is currently pending.
7. Pursuant to the order passed by the Dispute Board created under a contract, JMC-Taher Ali Joint Venture filed arbitration petition number 108/2013 in October, 2013 against Indore Municipal Corporation (“**IMC**”) before the Madhya Pradesh Arbitration Tribunal for the recovery of money towards the following items: a) excavation of hard rock, b) payment due towards TMT steel, and c) escalation costs. The matter relates to the execution of a work contract awarded by the IMC. The claim involved is ₹ 84.86 million. The matter is currently pending.
8. Pursuant to the order dated passed by the Dispute Board, JMC-Taher Ali Joint Venture filed arbitration petition number 111/ 2013 in October, 2013 against Indore Municipal Corporation (“**IMC**”) before the Madhya Pradesh Arbitration Tribunal for the recovery of money under a work contract. The matter relates to the execution of a work contract awarded by the IMC. The claim involved is ₹ 62.79 million. The matter is currently pending.
9. JMC-PPPL Joint Venture filed an arbitration petition dated May 7, 2014 against Bhopal Municipal Corporation (“**BMC**”) before the Madhya Pradesh Arbitration Tribunal for the recovery of money under a work contract granted to it. The claim involved is ₹ 20.75 million. The matter is currently pending.

Energylink (India) Limited (“**Energylink**”)

Pending Notices by Energylink

1. Energylink has served a legal notice dated October 20, 2014 against M/s. Panth Trade Link (“**Panth**”) under Section 138 (b) of the Negotiable Instruments Act, alleging dishonour of three cheques amounting to ₹ 1.97 million issued by Panth. The said notice is still pending.
2. Energylink has served a legal notice dated November 26, 2014 against M/s. Panth Trade Link (“**Panth**”) under Section 138 (b) of the Negotiable Instruments Act, alleging dishonour of cheque amounting to approximately ₹ 1 million issued by Panth. The said notice is still pending.

Jhajjar KT Transco Private Limited (“**JKTPL**”)

A. Outstanding litigation against JKTPL

1. Mr. Karan Singh filed letters patent appeal number 1456/2011 before the Punjab & Haryana High Court, against Union of India, Ministry of Power, through its secretary, JKPTL, and others, challenging the order

dated July 19, 2011 passed by the Punjab and Haryana High Court dismissing civil writ petition number 9267/2011. The writ petition was filed by Mr. Karan Singh for an order directing the respondents to not lay overhead transmission lines through the agricultural land belonging to the petitioner.

2. Mr. Kanwar Singh filed letters patent appeal number 1457/2011 before the Punjab & Haryana High Court against Union of India, Ministry of Power, through its secretary JKPTL, and others, challenging the order dated July 19, 2011 passed by the Punjab and Haryana High Court dismissing civil writ petition number 7902/2011. The writ petition was filed by Mr. Kanwar Singh for an order directing the respondents to not lay overhead transmission lines through the agricultural land belonging to the petitioner.
3. Mr. Rati Ram has filed letters patent appeal number 1334/2011 before the Punjab & Haryana High Court against Union of India, Ministry of Power, through its secretary JKPTL, and others, challenging the order dated July 19, 2011 passed by the Punjab and Haryana High Court dismissing civil writ petition number 9291/2011. The writ petition was filed by Mr. Rati Ram for an order directing the respondents to not lay overhead transmission lines through the agricultural land belonging to the petitioner. Subsequently, Mr. Rati Ram filed suit number 516/2013 against the State of Haryana, JKTPPL and others before the Court of Additional District and Session Judge, Jhajjar, claiming compensation of ₹ 30.85 million under the Land Acquisition Act in relation to the acquisition of his land. JKTTPL in its reply dated February 8, 2013 has stated that it has already paid crop compensation as per the Indian Telegraph Act, 1885. These matters are currently pending.
4. Mr. Vinod and Mr. Prem have filed a suit dated March 17, 2014 against the State of Haryana, JKTPPL and others before the Court of the Additional District Judge, Sonapat, claiming compensation of ₹ 80 million under the Land Acquisition Act in relation to the acquisition of his land. JKTTPL in its reply dated August 4, 2014 has stated that that it has already paid crop compensation as per the Indian Telegraph Act, 1885. The matter is currently pending.
5. Mr. Tarachand filed a suit dated against the State of Haryana, JKTPPL and others before the Court of the Additional District Judge, Sonapat, claiming compensation of ₹ 67.47 million under the Land Acquisition Act in relation to the acquisition of his land. JKTTPL in its reply dated August 4, 2014 has stated that that it has already paid crop compensation as per the Indian Telegraph Act, 1885. The matter is currently pending.
6. Mr. Pramod filed a suit dated against the State of Haryana, JKTPPL and others before the Court of the Additional District Judge, Sonapat, claiming compensation of ₹ 30 million under the Land Acquisition Act in relation to the acquisition of his land. JKTTPL in its reply dated August 4, 2014 has stated that it has already paid crop compensation as per the Indian Telegraph Act, 1885. The matter is currently pending.

B. Outstanding litigation by JKTPPL

JKPTL initiated arbitration proceedings against HPVNL and the arbitral tribunal through a letter dated December 13, 2014 called the parties for a preliminary meeting. The arbitration was initiated for recovery of ₹ 345.39 million for non-fulfillment of obligations on the part of HPVNL, refund of liquidated damages charged by HPVNL, other charges incurred by JKPTL during the period of delay allegedly caused by HPVNL, plus interest of 18% p.a. on the said claims from the due date of payment till the actual date of payment, plus costs. JKPTL has filed its statement of claim for ₹ 568.75 million on February 7, 2015.

KPTL-JMC- Yadav Joint Venture

1. KPTL has initiated arbitration proceedings against Eastern Railways for claim of ₹ 11.90 million on account of idling of resources and equipments of KPTL. The arbitral tribunal was constituted on August 1, 2014. KPTL is in the process of filing its statement of claim.
2. KPTL has initiated arbitration proceedings against South Eastern Railways for claim of ₹ 89.20 million on account of obstruction caused to the execution of work by KPTL by certain persons and the idling of KPTL's resources. The arbitral tribunal was constituted on December 22, 2014 KPTL is in the process of filing its statement of claim.

3. KPTL has initiated arbitration proceedings against Eastern Railways for claim of ₹ 4.38 million on account of idling of resources and equipments of KPTL. The arbitral tribunal was constituted on August 1, 2014. KPTL is in the process of filing its statement of claim.

Zangas-KPTL Consortium-I

1. Zangas- KPTL Consortium- I has preferred an appeal dated September 10, 2014 before the Appellate Tribunal, Mazgaon against the order dated August 19, 2014 passed by the Joint Commissioner of Sales tax, Appeal-III, Mumbai disallowing the following items in relation to financial year 2007-08: a) 3% contract receipt of ₹ 28.64 million transferred to KPTL; b) profit of ₹ 4.97 million; c) service tax of ₹ 4.42 million; d) bank charges of ₹ 3,000; e) interest of ₹ 0.15 million. The estimated tax liability is ₹ 4.77 million. The matter is currently pending.
2. Zangas- KPTL Consortium- I has preferred an appeal dated September 10, 2014 before the Appellate Tribunal, Mazgaon against the order dated August 19, 2014 passed by the Joint Commissioner of Sales Tax, Appeal-III, Mumbai, disallowing the following items in relation to financial year 2008-09: a) 3% contract receipt of ₹ 1.74 million transferred to KPTL; b) service tax of ₹ 0.96 million; c) bank charges of ₹ 3,000. The estimated tax liability is ₹ 0.34 million. The matter is currently pending.

Zangas-KPTL Consortium-II

The Assistant Commercial Tax Officer, Satna has passed an assessment order dated June 25, 2010 against Zangas-KPTL Consortium- II in relation to financial year 2007-08, imposing VAT of ₹ 0.2 million including penalty of ₹ 6,000 on such VAT; entry tax of ₹ 92,000, including penalty of ₹ 2,000 on such entry tax. Zangas- KPTL Consortium- II is in the process of filing an appeal against the said assessment order as soon as it receives a certified copy of the assessment order.

Zangas-KPTL Consortium (VDPL) (“ ZKPTL VDPL”)

1. ZKPTL VDPL has filed an application under Section 11 of the Arbitration and Conciliation Act, 1996 for the appointment of an arbitrator in relation to a claim raised by ZKPTL VDPL against Gas Authority of India Limited (“GAIL”) towards ₹ 72.60 million on account of change in the location of storage yards and claim of ₹ 41.80 million approximately towards costs incurred on account of “move-in and move-out”. GAIL has filed its reply dated December 15, 2014, stating that the matter stands settled by parties and that the application is barred by limitation. The amount of claim involved is ₹ 114.40 million. The matter is currently pending.
2. ZKPTL VDPL has filed an appeal dated September 29, 2013 before the Additional Commissioner of Commercial Taxes- II (Appeals) against the assessment order dated March 12, 2013 passed by the Deputy Commissioner of Commercial Taxes, Gautambudhnagar in respect of financial year 2009-10, short-crediting TDS of ₹ 2.14 million works contract, being claimed by KPTL as a consortium member. The matter is currently pending.
3. ZKPTL VDPL has filed an appeal dated June 13, 2014 before the Additional Commissioner of Commercial Taxes- II (Appeals) against the assessment order dated March 30, 2014 passed by the Deputy Commissioner of Commercial Taxes, Gautambudhnagar, in respect of financial year 2010-11, short-crediting TDS of ₹ 0.48 million on works contract being claimed by KPTL as a consortium member. The matter is currently pending.
4. ZKPTL VDPL filed an appeal dated December 7, 2012 before the Appellate Authority of Commercial Taxes, Satna against the assessment order dated March 22, 2012 passed by the Assistant Commercial Tax Officer, Satna, denying the credit of TDS on works contract of ₹ 1.62 million for non-submission of TDS certificates. The matter is currently pending.

Past penalties imposed on our Group Entities

Except as stated below and in this Draft Red Herring Prospectus no other penalties have been paid by our Group Entities in the last five years.

JMC Projects (India) Limited (“JMC Projects”)

Fiscal 2009

1. JMC Projects paid penalties amounting to ₹ 0.30 million under the Gujarat VAT Act, 2006, Madhya Pradesh VAT Act, 2002 and Maharashtra VAT Act, 2002 for the late filing of VAT and sales tax returns.
2. JMC Projects paid a penalty of ₹ 100 under the Finance Act, 1994 for the late filing of service tax returns.
3. JMC Projects paid a penalty of ₹ 2,250 under the Minimum Wages Act, 1948 for the payment of wages below the stipulated minimum wages.
4. JMC Projects paid a penalty of ₹ 25,000 under the National Highways Act, 1956 on the ground of illegal excavation carried out by JMC Projects,
5. JMC Projects paid a penalty of ₹ 1,000 under the Indian Stamp Act, 1899 for the late payment of stamp duty.

Fiscal 2010

1. JMC Projects paid a penalty of ₹ 100 under the Gujarat VAT Act, 2006, for the late filing of VAT and sales tax returns.
2. JMC Projects paid a penalty of ₹ 5,000 under the Finance Act, 1994 for the late filing of service tax returns.
3. JMC Projects paid a penalty of ₹ 47,856 as penalty under the Odisha Entry Tax Act, 1999.
4. JMC Projects paid a penalty of ₹ 2,435 as penalty under the Motor Vehicles Act, 1988.

Fiscal 2011

1. JMC Projects paid a penalty of ₹ 0.71 million under the Karnataka Vat Act, 2003 for the late payment of works contract.
2. JMC Projects paid a penalty of ₹ 0.31 million under the Karnataka Vat Act, 2003 for the late filing of sales tax and VAT returns.

Fiscal 2012

1. JMC Projects paid a penalty of ₹ 16,800 under the Motor Vehicles Act, 1988 for delay in payment of road tax.
2. JMC Projects paid a penalty of ₹ 33,400 pursuant to an assessment order passed under the Odisha VAT Act, 2006.
3. JMC Projects paid a penalty of ₹ 32,762 pursuant to a service tax audit under the Finance Act, 1994.

Fiscal 2013

1. JMC Projects paid a penalties amounting to ₹ 21,732 under the Karnataka Tax on Entry of Goods Act, 1979 and the Tamil Nadu Valued Added Tax, 2006 for not producing necessary road permits.

2. JMC Projects paid a penalty of ₹ 4,600 under the Delhi VAT Act, 2004 for late payment of works contract tax.

Proceedings initiated against our Group Entities for economic offences

There are no proceedings initiated against our Group Entities for any economic offences.

Adverse findings against any persons or entities connected with our Group Entities as regards non compliance with securities laws

There are no adverse findings involving any persons or entities connected with our Group Entities with regard to non compliance with securities law.

Proceedings initiated against our Group Entities involving labour disputes or closure

Except as stated above, there are no pending litigation proceedings against our Group Entities with respect to labour disputes or closures as on the date of this Draft Red Herring Prospectus.

Proceedings against our Group Entities with respect to default or overdues

Except as stated in this Draft Red Herring Prospectus, there are no pending litigation proceedings against our Group Entities with respect to default or overdues as on the date of this Draft Red Herring Prospectus.

Disciplinary action taken by SEBI or stock exchanges against our Group Entities

There is no disciplinary action taken by SEBI or recognized stock exchanges against our Group Entities.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and our current business activities, and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of this Draft Red Herring Prospectus. Certain approvals have lapsed or may lapse in their normal course or have not been obtained by our Company and our Company has either already made an application to the appropriate authorities for grant or renewal of such approvals or is in the process of making such applications or has not made any application for grant or renewal. For further details in connection with the regulatory and legal framework within which we operate, see section titled “*Regulations and Policies*” at page 180.

A. Approvals relating to the Offer

1. The Board has, pursuant to its resolutions dated January 7, 2015 and February 5, 2015 authorised the Offer subject to the approval of the shareholders of our Company for Fresh Issue under Section 62(1)(c) of the Companies Act and approvals by such other authorities as may be necessary;
2. The shareholders of our Company have, pursuant to their resolution dated January 10, 2015 and February 6, 2015 under Section 62(1)(c) of the Companies Act, 2013 authorised the Fresh Issue;
3. The Selling Shareholder has consented to the Offer for Sale pursuant to the resolution passed by its board of directors dated December 8, 2014.
4. Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to its resolution dated [●].
5. In-principle approval from the NSE dated [●]; and
6. In-principle approval from the BSE dated [●].

B. Approvals relating to our business and operations

I. General Approvals

1. The initial certificate of incorporation was granted by the Registrar of Companies on January 19, 2007.
2. Fresh certificate of incorporation consequent upon conversion to public limited company was granted by the Registrar of Companies on April 20, 2007.
3. Approval from the RBI for acquisition of shares of Punarvasu Holding and Trading Company Private Limited by our Company was granted on October 21, 2014.
4. Corporate Identity Number: U60232GJ2007PLC049796

II. Business Approvals

1. *Approvals in relation to the warehouse business of our Company*

We require approvals and licenses under various rules and regulations to operate our warehouse business in India. These approvals and licences differ on the basis of the location of the warehouses as well as nature of each of the warehouses, including whether owned, hired or under a PPP arrangement by our Company.

As on November 30, 2014, our Company managed a network of 149 warehouses in the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, which comprised of 27 Owned Warehouses, 45 Hired Warehouses and 77 PPP Warehouses.

Some of the material approvals required by us to operate our warehouse business include the following:

Warehouse related laws

- Certificate from Warehousing Development and Regulation Authority under The Warehousing (Development and Regulation) Act, 2007 for issue of negotiable warehouse receipts;
- Certificate from following state government authorities:
 - *Gujarat*:
 - From District Registrar, Co-operative Societies under the Bombay Warehouses Act, 1959 and Gujarat Warehousing Act, 2006 to do business as warehouse.
 - *Madhya Pradesh*:
 - From Department for Food, Civil Supplies and Consumer Protection under Madhya Pradesh Agricultural Warehouse Act, 1947 to carry on the business as a warehouseman; and
 - Warehouse fitness certificate from Department for Food, Civil Supplies and Consumer Protection under Madhya Pradesh Agricultural Warehouse Act, 1947.
 - License from the relevant state authorities under the Madhya Pradesh Agricultural Warehouse Act, 1947 to carry on business as weigher/sampler grader of agricultural produce.
 - *Maharashtra*:
 - License from District Deputy Registrar, Co-operative Societies under the Bombay Warehouses Act, 1959 to carry on business of a warehouse;

Food safety laws

- License from relevant state authorities under Food Safety and Standards Act, 2006 for storage of food grains and other specified items.

Factories laws

- Certificate from relevant state authorities under the Factories Act, 1948 for registration and license to operate the cold storages and processing units as a factory.

Mandi laws

- License under Madhya Pradesh Agricultural Produce Marketing Act, 1972 to act as Storekeeper (Warehouseman).
- License under Maharashtra Agricultural Marketing (Regulation) Act, 1967 to work as a commission agent (trader/broker)
- License under Rajasthan Agricultural Produce Markets Act, 1961 to act as Warehouseman.

Weights and measures laws

- Verification certificate from the relevant state authorities under the Legal Metrology Act, 2009 certifying the calibration of the weighbridges, weights and measures used at the warehouse.

Environment laws

- No objection certificate from the respective state pollution control board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Wastes (Management and Handling) Rules, 1989, as amended for generation of effluents

Acknowledgement under Micro, Small & Medium Enterprises Development Act, 2006

Acknowledgement from District Industries Centre in relation to obtaining entrepreneurs memorandum number for cold storage, processing and warehouse activities.

Laws in relation to fumigation

Certificate of registration from the Directorate of Plant Protection, Quarantine and Storage, Ministry of Agriculture for undertaking fumigation treatment at ALPs, in compliance with the Insecticides Act, 1968.

Laws in relation to electricity

Permission from the electrical inspector under the Electricity Act for the energisation of the warehouse by use of diesel generators.

Material ALPs

Further, for our material ALPs (14 out of 24 ALPs of our Company, as on November 30, 2014), we have obtained the necessary licences and approvals from the appropriate regulatory and governing authorities required for operating a warehouse, except the following, for which an application for grant or renewal has been made by our Company and those which have not been applied for or obtained by our Company.

a) Approvals for which an application for grant or renewal has been made

Sl. No.	License/Approval	Sanctioning authority	Reference number	Date of application
<i>I. Bikaner, Rajasthan</i>				
	Warehouse registration certificate	WDRA	2/SSRA/WDRA/SSL/08	February 2, 2015
	Permission for use of diesel generator set	Electrical Inspector, Rajasthan	-	January 27, 2015
<i>II. Jodhpur Salawas, Rajasthan</i>				
	Warehouse registration certificate	WDRA	SSL/ Warehousing/ NIAM/05/ 2014-15/587	May 20, 2014
	Permission for use of diesel generator set	Electrical Inspector, Rajasthan	-	January 27, 2015
<i>III. Kota, Rajasthan</i>				
	Warehouse registration certificate	WDRA	SSL/ Warehousing/ NIAM/ 05/ 2014-15/584	May 20, 2014
	Permission for use of diesel generator set	Electrical Inspector, Rajasthan	-	February 3, 2015
<i>IV. Sriganganagar, Rajasthan</i>				
	Warehouse registration certificate	WDRA	SSL/ Warehousing/ NIAM/ 05/ 2014-15/585	May 20, 2014
	Permission for use of diesel generator set	Electrical Inspector, Rajasthan	-	January 27, 2015
<i>V. Unjha, Gujarat</i>				
	Permission for use of diesel generator set	Electrical Inspector, Mehsana	SSL/Warehousing/ General/ 02/ 2014-15/ 4298	February 2, 2015
<i>VI. Rajkot, Gujarat</i>				
	Application for use of diesel generator set	Assistant Electrical Inspector, Rajkot	-	January 31, 2015
<i>VII. Sagar, Madhya Pradesh</i>				

Consent for layout for establishment of diesel generator set	Regional electrical inspector, Sagar division, Madhya Pradesh	-	February 9, 2015
<i>VIII. Jalgaon, Maharashtra</i>			
Warehouse registration certificate	WDRA	10/SSRA/WDRA/ SSL/ 02	October 20, 2014
Consent to establish cold storage and warehouse	Maharashtra Pollution Control Board	114256	July 14, 2014
License to work as a factory	Director, Industrial Safety and Health, Jalgaon	02300045	August 8, 2014
<i>IX. Itarsi, Madhya Pradesh</i>			
Consent for layout for establishment of diesel generator set	Regional electrical inspector, Hosangabad division, Madhya Pradesh	N-6/GN/3705/Work Engineer (V.S.) Hosangabad	February 5, 2015
<i>X. Dewas, Madhya Pradesh</i>			
Consent for layout for establishment of diesel generator set	Divisional Electrical Inspector, Indore	Tec L.T./ D.G./ Drawing 3088	February 4, 2015
<i>XI. Harda, Madhya Pradesh</i>			
License under Food Safety and Standards Act, 2006	Food and Drugs Administration, Government of Madhya Pradesh	20150119120306227	January 21, 2015
Consent for layout for establishment of diesel generator set	Regional electrical inspector, Hosangabad division, Madhya Pradesh	N-6/GN/3003/Work Engineer (V.S.) Hosangabad	February 5, 2015
<i>XII. Deesa (Dry and cold), Gujarat</i>			
Warehouse registration certificate (Deesa cold storage)	WDRA	SSL/Warehousing/ NIAM/12/ 2013-14/ 2801	December 26, 2013
License to work as a factory	The inspector, factory license, Mehsana	SSL/Warehousing/ General/ 02/ 2014-15/4303	February 2, 2015
Registration as fumigation agency	Directorate of Plant Protection, Quarantine and Storage	SSL/Accounts-RO/ RPQS/10/2014-15/761	November 5, 2014
Application for use of diesel generator set	Electrical inspector, Mehsana	SSL/Legal/ Electrical Inspector – Deesa/ 10/ 2014-15/ 2681	October 8, 2014
<i>XIII. Ramganjmandi, Rajasthan</i>			
Warehouse registration certificate	WDRA	SSL/Warehousing/ NIAM/12/ 2013-14/ 2800	December 26, 2013
Permission for use of diesel generator set	Electrical Inspector, Rajasthan	-	February 3, 2015

b) Approvals which our Company has not obtained and not applied for

Our Company has not obtained the no-objection certificates from the respective state pollution control boards for its cold storages at Deesa and Ramganjmandi and processing centre at Jodhpur Salawas.

Our Company has not obtained acknowledgement from the respective District Industries Centre for Deesa and Jodhpur Salawas.

Material Hired Warehouses

Further, for our material Hired Warehouses (15 out of 45 Hired Warehouse of our Company, as on November 30, 2014) we obtain the necessary licences and approvals from the appropriate regulatory and governing authorities required for operating the warehouse.

Following is the list of necessary licenses and approvals to be obtained by our Company for material Hired Warehouses which have currently lapsed or for which an application for grant or renewal such licenses and approvals has been made by our Company:

Rajasthan

In relation to the material Hired Warehouses operated in the state of Rajasthan, our Company has obtained the requisite licenses under the Food Safety and Standards Act, 2006.

Gujarat

Applications for licence under Food Safety and Standards Act, 2006

Sl. No.	License/Approval	Sanctioning authority	Reference number	Date of renewal application
<i>I. Unjha Patan (Gujarat warehousing)</i>				
	License under Food Safety and Standards Act, 2006	Food and Drugs Control Administration, Government of Gujarat	20140200200069601	February 4, 2014
<i>II. Harij Jaliyan</i>				
	License under Food Safety and Standards Act, 2006	Food and Drugs Control Administration, Government of Gujarat	20140200200067144	February 4, 2014
<i>III. Jaliyan 2</i>				
	License under Food Safety and Standards Act, 2006	Food and Drugs Control Administration, Government of Gujarat	20140200200069885	February 4, 2014
<i>IV. Jorapur (Deesa dry)</i>				
	License under Food Safety and Standards Act, 2006	Food and Drugs Control Administration, Government of Gujarat	20140917232017517	September 17, 2014
<i>V. Sankar Bhai Khatri warehouse (Lorvada)</i>				
	License under Food Safety and Standards Act, 2006	Food and Drugs Control Administration, Government of Gujarat	20140917230204943	September 17, 2014

Applications for warehouse registration certificate under Warehousing (Development and Regulation) Act, 2007

Sl. No.	License/Approval	Sanctioning authority	Reference number	Date of application
<i>I. Unjha Patan (Gujarat warehousing)</i>				
	Warehouse registration certificate	WDRA	SSLL/Warehousing/NIAM/12/2013-14/2864	December 31, 2013
<i>II. Harij Jaliyan</i>				

Warehouse registration certificate	WDRA	SSLL/Warehousing/NIAM/12/2013-14/2858	December 31, 2013
<i>III. Jaliyan 2</i>			
Warehouse registration certificate	WDRA	SSLL/Warehousing/NIAM/12/2013-14/3216	January 23, 2014
<i>IV. Jorapur (Deesa dry)</i>			
Warehouse registration certificate	WDRA	SSL/Warehousing/NIAM/05/2014-15/654	May 27, 2014
<i>V. Sankar Bhai Khatri warehouse (Lorvada)</i>			
Warehouse registration certificate	WDRA	SSLL/Warehousing/NIAM/12/2013-14/4010	April 30, 2014

In relation to PPP Warehouses operated and managed by our Company, the requisite licenses and/or government approvals for the operation of these PPP Warehouses are required to be obtained by the licensor (where such PPP Warehouses are hired by RSWC) or by RSWC (where such PPP Warehouses are owned by RSWC), as applicable.

2. Approvals in relation to non-warehouse business

Our Company is required to procure approvals and/or licenses for carrying out certain non-warehouse related activities, including primary processing of agricultural commodities, management of collateral, trading of agricultural commodities under various rules and regulations. These approvals/licences are inherently dependent on the nature of non-warehouse related activities and the locations at which such activities are carried out.

Approvals required in relation to our non-warehouse activities include the following:

(a) Approvals required for trading activities:

1. Certificate of Import-Export Code (no.0808024949) from the Ministry of Commerce and Industry, Government of India.
2. Certificate of recognition as a star export house (no. JB/0081) from the Ministry of Commerce and Industry, Government of India. This certificate is valid till March 31, 2017.
3. Trade licenses obtained from the Jodhpur Nagar Nigam, Jodhpur Rajasthan for dealing in ghee, dry fruits, oil and grocery items.
4. Certificate of registration as an exporter (no. ML/REG/S1771/2014) from Spices Board, Ministry of Commerce and Industry, Government of India. This certificate is valid till August 31, 2017.
5. Certificate of registration and membership (no. IOPEPC/OM-B-563/2014-15) from the Indian Oilseeds and Produce Export Promotion Council, Ministry of Commerce and Industry, Government of India. This certificate is valid till March 31, 2015.
6. License under the Food Safety and Standards Act, 2006 for import of food products (no. 10012013000417) from the Food Safety and Standards Authority of India. This license is valid till November 13, 2018.
7. Certificate of registration and membership (no. 159398) from the Agricultural and Processed Food Products Export Development Authority, Ministry of Commerce and Industry, Government of India. This certificate is valid till December 23, 2015.

(b) Approvals required for primary processing of agricultural commodities:

License obtained under Factories Act, 1948 and central license under the Food Safety and Standard Act, 2006 for manufacture of agricultural commodities at Salawas, Rajasthan.

III. Registrations with tax authorities

Set forth below are details of registrations obtained by our Company with the relevant taxation authorities. These registrations are valid until suspended:





Tax approval or certificate and granting authority	Tax registration number, if applicable	Whether location-specific or Company-specific
Permanent Account Number, Income Tax Department, Government of India	AAKCS4924N	Company level registration
Tax deduction Account Number, Income Tax Department, Government of India	AHMS13821D	Company level registration
Central Sales Tax registration, Maharashtra	27240949543C	Maharashtra
Central Sales Tax registration, Madhya Pradesh	23429049471	Madhya Pradesh
Central Sales Tax registration, Rajasthan	08862656570	Rajasthan
Central Sales Tax registration, Andhra Pradesh	37375527305	East Godavari, Andhra Pradesh
Central Sales Tax registration, Gujarat	24560303439	Gandhinagar, Gujarat
Central Sales Tax registration, NCT of Delhi	07070420298	Delhi
Central excise registration certificate, Department of Revenue, Government of India	AAKCS4924NEM002	Alwar, Rajasthan
Central excise registration certificate, Department of Revenue, Government of India	AAKCS4924NEM003	Jodhpur, Rajasthan
Central excise registration certificate, Department of Revenue, Government of India	AAKCS4924NEM004	Jalgaon, Maharashtra
Central excise registration certificate, Department of Revenue, Government of India	AAKCS4924NEM005	Kota, Rajasthan
Central excise registration certificate, Department of Revenue, Government of India	AAKCS4924NEM007	Chomu, Rajasthan
Value Added Tax, Gujarat	24060303439	Gandhinagar, Gujarat
Value Added Tax, Commercial Taxes Department, Government of Andhra Pradesh	VAT TIN 37375527305	Andhra Pradesh
Value Added Tax, Department of Value Added Tax, Government of NCT of Delhi	07070420298	Delhi
Value Added Tax, Maharashtra	27240949543V	Mumbai office of our Company
Value Added Tax, Commercial Tax Department, Government of Madhya Pradesh	VAT TIN 23429049471	Neemuch, Vidisha, Itarsi, Ujjain, Harda, Dewas, Sagar
Value Added Tax, Rajasthan	VAT TIN: 08862656570	Multiple locations in India
Service tax registration, Central Board of Excise and Customs, Government of India	AAKCS4924NST001	Company level registration

IV. Labour and other related approvals

1. Approval to the Shree Shubham Logistics Limited Employees Group Gratuity Fund by the commissioner of income tax, Gandhinagar.
2. Central provident fund registration (number RJ/JDR/PF/17964) for Jodhpur.
3. Registrations under Shops and Establishment Act in the respective states where the offices of our Company are located.
4. Registrations of certain branches with the Employee State Insurance Corporation, Rajasthan.

V. Intellectual Property related approvals

The material trademarks granted under the Trade Marks Act, 1999 and currently used by our Company in its business operations are the following:

Registered trademark	Class	Applicant	Trademark Number	Date of grant	Expiry date
	39	Company	1878133	October 29, 2009	October 28, 2019
	39	Company	1879144	November 3, 2009	November 2, 2019
ACL	43	Company	2037811	October 14, 2010	October 13, 2020
	43	Company	2037813	October 14, 2010	October 13, 2020
	30	Company	1881310	November 6, 2009	November 5, 2019

VI. PHTCPL related approvals

1. Certificate of incorporation was granted by the Registrar of Companies on August 25, 1993.
2. Certificate of registration (no. 13.00614) was granted by the RBI on April 7, 1998 to carry on the business of non-banking financial institution.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- Our Board has, pursuant to its resolutions dated January 7, 2015 and February 5, 2015 authorised the Fresh Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- The shareholders of our Company have authorised the Fresh Issue by special resolutions passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGMs held on January 10, 2015 and February 6, 2015 and authorised the Board to take decisions in relation to this Offer.
- The Selling Shareholder has authorised the Offer for Sale pursuant to a resolution passed by its board of directors on December 8, 2014.
- Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholder and has approved this Draft Red Herring Prospectus pursuant to its resolution dated February [●].

Prohibition by RBI

None of our Company, the Selling Shareholder, our Directors, our Promoters, relatives (as defined under the Companies Act, 2013) of Promoters, our Promoter Group, and our Group Entities have been identified as wilful defaulters by the RBI or any other authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Prohibition by SEBI or governmental authorities

We confirm that our Company, the Selling Shareholder, Promoters, Promoter Group, Directors or Group Entities have not been prohibited from accessing or operating in the capital markets for any reason under any order or direction passed by SEBI or any other authority. None of our Promoters, nor any of our Directors or persons in control of our Company was, or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

Eligibility for this Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

“An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net issue to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”

Our Company is an unlisted company, not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- Our Company is complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Offer is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.
- Our Company is complying with Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Issue, respectively.

Hence, we are eligible for the Offer under Regulation 26(2) of the SEBI Regulations.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000; otherwise the entire application money will be refunded. 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. The Selling Shareholder undertakes to reimburse our Company, from the proceeds of the Offer for Sale, its share of the interest, in proportion to the number of Equity Shares Allotted in the Fresh Issue and the number of Equity Shares transferred by way of the Offer for Sale, subject to applicable law.

This Offer is being made pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41 of the SEBI Regulations for [●] Equity Shares aggregating ₹ [●] million. Our Company is eligible for the Offer in accordance with Regulation 26(2) of the SEBI Regulations. Further, this Offer is being made through the Book Building Process wherein at least 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis. Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance of Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. For further details, please see the section titled “*Offer Procedure*” on page 408.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

- (a) Our Company, the Selling Shareholder, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are or were associated as directors or promoters or persons in control have not been prohibited or debarred from accessing or operating in the capital markets under any order or direction passed by SEBI;
- (b) Our Company has applied to the BSE and the NSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Offer and has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the BSE Limited shall be the Designated Stock Exchange;
- (c) Our Company has entered into agreements dated December 8, 2014 and November 29, 2014 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
- (d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- (e) At least 75% of the stated means of finance excluding the amount to be raised through the Net Proceeds or through existing identifiable internal accruals have been tied up. For further details in this regard, please see the section titled “*Objects of the Offer*” on page 105.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE

ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, IDFC SECURITIES LIMITED AND INGA CAPITAL PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDER (TO THE EXTENT OF STATEMENTS MADE BY THE SELLING SHAREHOLDER PERTAINING TO ITSELF AND THE EQUITY SHARES OFFERED BY IT IN THE OFFER FOR SALE) ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, IDFC SECURITIES LIMITED AND INGA CAPITAL PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, IDFC SECURITIES LIMITED AND INGA CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 19, 2015, WHICH READS AS FOLLOWS:

WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. “WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS (“DRHP”) PERTAINING TO THE SAID OFFER;
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 OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE 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 DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR RESPECTIVE EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES 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 THIS DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION 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. - COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE

OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS SPECIFIED IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING 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 THIS DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
 - (B) AN UNDERTAKING FROM THE COMPANY 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 OFFER. **NOTED FOR COMPLIANCE**
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. - **REFER TO THE DUE DILIGENCE PROCESS NOTE ENCLOSED AS ANNEXURE A.**
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 THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. **REFER TO THE CHECKLIST ENCLOSED AS ANNEXURE B**
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. **REFER TO THE DISCLOSURE ENCLOSED AS ANNEXURE C**
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED AS PER THE ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRHP, CERTIFIED BY BANSHI JAIN & ASSOCIATES (FIRM REGISTRATION NUMBER 100990W) BY WAY OF ITS CERTIFICATE DATED FEBRUARY 12, 2015

** Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*

*** Section 29 of the Companies Act, 2013 provides, inter alia, that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholder from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. It is expressly clarified that the Selling Shareholder is responsible only for the statements and undertakings made by it pertaining to itself and the Equity Shares offered by it in the Offer for Sale and does not take any responsibility for statements of any other person(s). SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by the Managers

The price information of past issues handled by the BRLMs is as follows:

Inga Capital Private Limited

Inga has not handled any public issues in the last three years.

Citigroup Global Markets India Private Limited:

Sr. No.	Issue Name	Issue size ₹ million.	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
1.	Just Dial Ltd.(3)	9,191.41	530.00	5-Jun-13	590.00	611.45	15.37 %	19,568.22	629.30	19,177.93	625.45	18,629.15	655.80	19,495.82

Notes:

1. Benchmark index is BSE Sensex.

2. In case 10th/20th/30th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 10th/20th/30th day, is considered.

3. A discount of INR 47 per Equity Share was offered to Retail Individual Bidders in the IPO.

Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2014 – September 15, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-14	1	9,191.41	-	-	-	-	-	-	1	-	-	-	-	1

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IDFC Securities Limited

S r. N o.	Issue name	Issue size (₹ mn)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10 th calendar day from listing day (₹)	Benchmark index as on 10 th calendar day from listing day (closing)	Closing price as on 20 th calendar day from listing day (₹)	Benchmark index as on 20 th calendar day from listing day (closing)	Closing price as on 30 th calendar day from listing day (₹)	Benchmark index as on 30 th calendar day from listing day (closing)
1.	Tribhovan Das Bhimji Zaveri Limited	2,000.00	120.0	May 9, 2012	115.0	111.2	(7.33 %)	16,479.6	120.3	16,183.3	116.0	16,438.6	110.0	16,718.9
2.	Repco Home Finance Limited	2,701.01	172.0	April 1, 2013	159.95	161.80	(5.93 %)	5,704.40	168.30	5,594.00	170.65	5,783.10	170.90	5,930.20
3.	Sharda Cropchem Limited	3,518.60	156.00	September 23, 2014	260.00	230.95	48.04 %	8,017.55	258.10	7,852.40	255.15	7,884.25	251.25	7,995.90

Source: www.bseindia.com, www.nseindia.com for the price information and prospectus for issue details

Notes:

- In case of reporting dates falling on a holiday, values for the trading day immediately following the holiday have been considered
- Price information and benchmark index values have been shown only for designated stock exchange for the issuer
- BSE was the designated stock exchange for the issue listed as item 1, NSE was the designated stock exchange for the issues listed as item 2 and 3 in the above table.

Summary statement of price information of past issues handled by IDFC Securities

Fiscal	Total no. of IPOs ⁽¹⁾	Total funds raised (₹ million)	Nos. of IPOs trading at discount on listing date based on closing price			Nos. of IPOs trading at premium on listing date based on closing price			Nos. of IPOs trading at discount as on 30 th calendar day from listing day based on closing price			Nos. of IPOs trading at premium as on 30 th calendar day from listing day based on closing price		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2014 – till the date of the DRHP	1	3,518.60	-	-	-	-	1	-	-	-	-	1	-	-
2014	1	2,701.01	-	-	1	-	-	-	-	-	1	-	-	-
2013	1	2,000.00	-	-	1	-	-	-	-	-	1	-	-	-

¹ Based on the date of listing

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name	Website
1.	Citigroup Global Markets India Private Limited	http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
2.	IDFC Securities Limited	http://www.idfc.com/capital/investment-banking/track-record.aspx
3.	Inga Capital Private Limited	http://www.ingacapital.com

Disclaimer from our Company, the Selling Shareholder, our Directors, and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. It is clarified that the Selling Shareholder is providing information in this Draft Red Herring Prospectus only about and in relation to themselves and the Equity Shares under the Offer for Sale and are not responsible or liable for any other statement or information contained in this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.ssll.in, or the website of our Subsidiary, Promoters, Promoter Group, Group Entities or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, our Company, the Selling Shareholder and the Registrar.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information will be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Syndicate Bidding Centres or elsewhere.

Neither our Company, nor the Selling Shareholder, nor any member of the Syndicate shall be liable to Bidders for any failure in uploading/downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Subsidiary and our Group Entities or affiliates or the Selling Shareholder or their affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our Group Entities or affiliates or associates or third parties or the Selling Shareholder or their affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India, including Indian national residents in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Mutual Funds, 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 respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, Alternative Investment Funds and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India 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 Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Subsidiary from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act. Each purchaser of Equity Shares outside the United States will be deemed and/or required to represent and agree, among other things, that such purchaser is acquiring the Equity Shares in an “offshore transaction” in accordance with Regulation S under the U.S. Securities Act.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the Securities Act.

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

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Registrar of Companies.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Registrar of Companies.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with Registrar of Companies at the office of the Registrar of Companies:

The Registrar of Companies Gujarat, Dadra and Nagar Haveli

ROC Bhawan, Opp. Rupal Park Society
Behind Ankur Bus Stand, Naranpura,
Ahmedabad – 380 013

Listing

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Initial listing applications will be made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The BSE Limited will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company and the Selling Shareholder, to the extent required by applicable law, will forthwith repay, in accordance with applicable law, all moneys received from the applicants in pursuance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 12 Working Days of the Bid Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

The Selling Shareholder undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company or BRLMs, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. The Selling Shareholder undertakes to reimburse the expenses with respect to the Offer to our Company, from the proceeds of the Offer for Sale, in proportion to the number of Equity Shares Allotted in the Fresh Issue and the number of Equity Shares transferred by way of the Offer for Sale, subject to applicable law.

Consents

Consents in writing of (a) the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, the BRLMs, the Statutory Auditors, the legal counsels, the Bankers to our Company, CRISIL and the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Banks and the Refund Banks, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the Registrar of Companies as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

In accordance with the Companies Act, 2013 and the SEBI Regulations, Deloitte Haskins & Sells, Chartered Accountants has given its written consent for inclusion of its name and report on the restated standalone financial statements dated January 7, 2015 in this Draft Red Herring Prospectus. Further, Deloitte Haskins & Sells LLP,

Chartered Accountants has given its written consent for inclusion of its name and report relating to the possible general and special tax benefits dated February 2, 2015, in this Draft Red Herring Prospectus. Such consents have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

Expert Opinion

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

- a. Our Company has received written consent from the auditors of our Company, Deloitte Haskins & Sells, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 and as an expert under section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their reports on the Restated Financial Statements and such consent has not been withdrawn as on the date of filing this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.;
- b. Our Company has received written consent from the Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 and as an expert under section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their statement of tax benefits dated February 2, 2015 and such consent has not been withdrawn as on the date of filing this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the 1933 Securities Act of the United States of America.; and
- c. Our Company has received written consent from Kailas Pawar & Associates, Consulting Engineer, Architect & Valuer to be named as an expert under section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to its certificates dated January 19, 2015 on storable floor plate area and corresponding storage capacity of the warehouses managed and operated by our Company and such consent has not been withdrawn as on the date of filing this Draft Red Herring Prospectus.

Offer Expenses

The Offer related expenses consist of fees payable to the BRLMs, underwriting commission, brokerage and selling commission, commission payable to Registered Brokers, SCSBs’ fees, Escrow Banks’ and Registrar’s fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The Offer expenses shall be shared between our Company and the Selling Shareholder, in the proportion to the proceeds of Equity Shares offered by our Company and the Selling Shareholder in the Offer. The Selling Shareholder agrees to reimburse to the Company, its portion of the expenses, out of the proceeds of the Offer for Sale, calculated in the manner stated herein.

The break-down for the Offer expenses is as follows:

S. No.	Activity Expense	Amount* (₹ in million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
1.	Fees of the BRLMs, underwriting commission, brokerage and selling commission	[•]	[•]	[•]
2.	Processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[•]	[•]	[•]
3.	Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[•]	[•]	[•]
4.	Fees to the Registrar to the Offer	[•]	[•]	[•]
5.	Listing fees and other regulatory expenses	[•]	[•]	[•]
6.	Other expenses (Legal advisors, Auditors and other Advisors etc.)	[•]	[•]	[•]

S. No.	Activity Expense	Amount* (₹ in million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
	Total Estimated Offer Expenses	[•]	[•]	[•]

* To be completed after finalisation of the Offer Price

Fees, Brokerage and Selling Commission Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letter among our Company, the Selling Shareholder and the BRLMs, and the Syndicate Agreement to be executed among our Company, the Selling Shareholder and the members of the Syndicate, copies of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Fees payable to the Registered Brokers and processing fees for SCSBs

[•]

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated February 12, 2015 entered into, among our Company, the Selling Shareholder and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send such refund in any of the modes described in the Red Herring Prospectus or Allotment Advice by registered post/speed post/under certificate of posting.

Public or Rights Issues during the last five years

Our Company has not made any previous public issue (including any rights issue to the public) during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed under the section titled “*Capital Structure - History of equity share capital of our Company*” on page 92, our Company has not issued any securities for consideration other than cash.

Capital issuances in the preceding three years

Except as disclosed in the section titled “*Capital Structure*” on page 91, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. JMC Projects, our listed group company has not made any capital issuances during the three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects

Our Company has not made any public issue or rights issue in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects: Last issue of Group Entities or Associate Companies

Except JMC Projects, none of our Subsidiary, Associates or Group Entities have made any public or rights issues in the 10 years preceding the date of this Draft Red Herring Prospectus. For information relating to the last rights issue made by JMC Projects, please see the section titled “*Our Group Entities*” on page 222.

Underwriting commission, brokerage and selling commission on previous issues

There has been no public issue of the Equity Shares in the past. Thus, 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 our Company’s inception.

Outstanding debentures or bond issues or preference shares

Except the CCDs, employee stock options granted under the ESOP Scheme, and the Preference Shares outstanding as on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures or stock options or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as disclosed in the section titled “*Capital Structure*” on page 91, none of our Directors, Promoters and/or the members of our Promoter Group, or their relatives have purchased or sold any securities of our Company or any of its Subsidiaries, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer and our Company and the Selling Shareholder dated February 12, 2015, provides for retention of records, including refund orders despatched to the Bidders, with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the non-ASBA process must be addressed to the Registrar to the Offer quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, address of the sole or first Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed either to Registrar to the Offer with a copy to the relevant SCSBs or the member of the Syndicate if the bid was submitted to a member of (i) the concerned Syndicate/ Sub-Syndicate, in the event of a Bid submitted by an ASBA Bidder at any of the Syndicate Bidding Centres, or (ii) the concerned Registered Broker and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at any of the Registered Broker Centres or (ii) the SCSBs, giving full details such as name, address of the sole or first Bidder, Bid cum Application Form number, date of Bid cum Application Form, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number, Bidders’ DP ID, Client ID, PAN and name and address of the Designated Branch of the SCSBs or the details of the Syndicate Member at the Specified Locations

where the Bid cum Application Form was submitted. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar, containing full details.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee. For further details, see section titled "*Our Management*" on page 199.

Our Company has appointed Krishna Kumar Mishra as the Company Secretary and Compliance Officer and he may be contacted in case of any pre- Offer or post- Offer -related problems. He can be contacted at the following address:

Mr. Krishna Kumar Mishra
Company Secretary and Compliance Officer
Telephone: +91 79 2321 4563
Facsimile: +91 79 2321 1966
E-mail: cs@ssll.in
Investor Grievance E-mail: cs@ssll.in

Disposal of investor grievances by listed group entities and companies under the same management

There are no investor grievances pending against KPTL or JMC Projects as on date of this Draft Red Herring Prospectus.

Change in Auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus, except as disclosed below:

Name	Date of Change	Reason
Kishan M. Mehta & Co. Chartered Accountants	July 24, 2013	Resignation

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time since its incorporation.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued or being transferred pursuant to the Offer are subject to the provisions of the Companies Act, 1956 (to the extent applicable), the Companies Act, 2013, the SEBI Regulations, SCRA, SCRR, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, Allotment Advice, Anchor Investor Allocation Notice, the abridged prospectus, the Listing Agreements to be entered with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the Registrar of Companies, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued or transferred in the Offer shall be subject to the provisions of the Companies Act, 2013, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of right to receive dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with the provisions of the Companies Act and the Articles. Please see the section titled “*Main Provisions of the Articles of Association*” on page 465 for a description of significant provisions of our Articles.

Mode of Payment of Dividends

Our Company shall pay dividends, if declared, to the equity shareholders of our Company as on the record date specified, in accordance with the provisions of the Companies Act, 2013, Articles of Association and the Listing Agreement. For further details in relation to dividends, please see the sections titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 236 and 465, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Offer Price is ₹ [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in an English national newspaper, a Hindi national newspaper and a Gujarati newspaper, Gujarat being where the Registered Office of our Company is situated, each with wide circulation, being the newspapers in which the pre- Offer advertisements were published, at least five Working Days prior to the Bid Opening Date.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable 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 provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or evoting;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares subject to applicable law, including rules and regulations of RBI, if any; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956, the Companies Act, 2013, the terms of the Listing Agreement executed with the Stock Exchanges, and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, please see the section titled “*Main Provisions of the Articles of Association*” on page 465.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only. Our Company has entered into agreements dated December 8, 2014 and November 29, 2014 with NSDL and CDSL respectively, for dematerialisation of the Equity Shares.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold only outside the United States in offshore transactions in reliance on the exemption from registration provided by Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Bid/Offer Programme

See the section titled “*Offer Structure*”.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Offer and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee as mentioned above, shall, upon the production of such evidence as may be required by our 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, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require change to their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

Our Company is required to receive a minimum subscription of 90% of the Fresh Issue. If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Net Offer equivalent to the minimum number of securities as required to comply with Rule 19(2)(b)(i) of the SCRR, including devolvement of Underwriters, if any, our Company shall forthwith refund the entire subscription amount received within 60 days of the Bid Closing Date. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the Equity Shares in the Offer for Sale.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

If at least 75% of the Offer is not Allotted to the QIBs, the entire application money shall be refunded forthwith.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre- Offer Equity Shares, Promoters' minimum contribution and Allotment made to Anchor Investor pursuant to the Offer, as detailed in the section titled "*Capital Structure*" on page 91, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in

our Articles of Association. Please see the section titled “*Main Provisions of the Articles of Association*” on page 465.

Employee Discount

A discount of ₹ [●] to the Offer Price determined pursuant to completion of the Book Building Process shall be offered to Eligible Employees Bidding in the Employee Reservation Portion. Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Eligible Employees bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band.

Eligible Employees bidding in the Employee Reservation Portion should note that discount is not offered on application but on allotment. The excess amount paid at the time of Bidding shall be refunded to the Eligible Employees.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid Opening Date but before the Board meeting for Allotment. In such an event, our Company shall issue a public notice in the same newspapers, in which the pre-issue advertisements were published, within two days of the or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

If our Company and the Selling Shareholder withdraw the Offer after the Bid Closing Date and thereafter determine that they will proceed with an issue of our Company’s Equity Shares or offer for sale by existing shareholders, our Company shall file a fresh draft red herring prospectus with SEBI and/or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

OFFER STRUCTURE

Public offer of [●] Equity Shares aggregating up to ₹ [●] million consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,100 million by our Company and an Offer for Sale of up to 7,007,876 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder. The Offer comprises the Net Offer and the Employee Reservation Portion. The Offer and the Net Offer shall constitute up to [●] % and [●] % approximately of the fully diluted post-Offer paid up equity share capital of our Company, respectively.

The Offer is being made through the Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	[●] Equity Shares.	Not more than [●] Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not more than [●] Equity Shares or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Up to 100,000 Equity Shares
Percentage of Offer available for Allotment/Allocation	At least 75% of the Net Offer shall be Allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not more than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not more than 10% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	100,000 Equity Shares, constituting approximately [●]% of the Offer
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (excluding the Anchor Investor Portion) (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs	Proportionate.	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual	Proportionate.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	<p>including Mutual Funds receiving allocation as per (a) above.</p> <p>Our Company may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for domestic Mutual Funds.</p>		<p>Bidders by the minimum Bid Lot (“Maximum RII Allottees”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:</p> <ul style="list-style-type: none"> In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be Allotted/Allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted/Allocated on a proportionate basis to the Retail Individual Bidders who have received Allotment/Allocation as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). <p>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/Allotted minimum Bid Lot shall be determined on draw of lots basis. For further details, please see the section titled “Offer Procedure” on page</p>	

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Mode of Bidding	Through ASBA process only (except for Anchor Investors)	Through ASBA process only	408. Both ASBA process and non-ASBA process	Through ASBA or non-ASBA
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Net Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Net Offer, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply**	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, FVCIs, VCFs, AIFs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army,	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III Foreign Portfolio Investors.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	Eligible Employees

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.			
Terms of Payment ^{##}		The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form. [#]		

^{*} Subject to valid Bids being received at or above the Offer Price. The Offer is being made through the Book Building Process in compliance with Regulation 26(2) of the SEBI Regulations wherein at least 75% of the Net Offer shall be Allotted to QIB Bidders on a proportionate basis. Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to the Employee Reservation Portion subject to the Net Offer constituting at least 25% of the fully diluted post-Offer paid up equity share capital of our Company.

^{**} In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form.

[#] The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date.

^{##} In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the ASBA Account of the Bidder that is specified in the Bid cum Application Form.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall ensure and the Selling Shareholder shall provide all reasonable cooperation to ensure credit of the Equity Shares to the valid beneficiary account with its Depository Participants within two Working Days from the date of the Allotment to all successful Allottees, including ASBA Bidders which shall be done within 12 Working Days from the Bid Closing Date.

Please note that only Bidders having a bank account at any of the centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date through speed post/registered post.

In case of ASBA Bidders, the Registrar to the Offer shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, 2013, the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholder (to the extent required by applicable law) undertake that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.
- interest shall be payable at 15% p.a. if the Allotment letters or refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 Working Days of the Bid Closing Date. Such interest shall be paid to the Bidders by our Company. The Selling Shareholder undertakes to reimburse our Company, from the proceeds of the Offer for Sale, its share of the interest, in proportion to the number of Equity Shares Allotted in the Fresh Issue and the number of Equity Shares transferred by way of the Offer for Sale, subject to applicable law.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Offer. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Offer.

Bid/Offer Programme

Bid Opening Date	[•] [*]
QIB Bid Closing Date	[•] ^{**}
Bid Closing Date (for Bidders other than QIBs)	[•]
Finalisation of basis of allotment with the Designated Stock Exchange	[•]
Initiation of Refunds	[•]
Credit of Equity Shares to demat accounts of Allotees	[•]
Commencement of trading of Equity Shares on the Stock Exchanges	[•]

^{*} Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors. Anchor Investors shall Bid during Anchor Investor Bidding Date.

^{**} Our Company and the Selling Shareholder, in consultation with the BRLMs, may decide to close the Bidding Period for QIBs one Working Day prior to the Bid Closing Date.

The above timetable is indicative and does not constitute any obligation on the Company or the Selling Shareholder or the BRLMs. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by the Company and the Selling Shareholder, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend all reasonable co-operation required by the Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by the Selling Shareholder in the Offer) at all the Stock Exchanges within 12 Working Days from the Bid Closing Date.

Except in relation to Bids received from Anchor Investors, the Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. IST during the Bidding Period as mentioned above at the Syndicate Bidding Centres mentioned on the Bid cum Application Form, the Registered Broker Centres mentioned on the websites of the Stock Exchanges, or, the Designated Branches (in case of Bids submitted by the ASBA Bidders). On the Bid

Closing Date, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and uploaded until (i) 4.00 p.m. IST, in case of Bids by QIBs (Bidding under the Net QIB Portion) and Non-Institutional Bidders, or such extended time as permitted by the Stock Exchanges, and (ii) 5.00 p.m. in case of Bids by Retail Individual Bidders or Eligible Employees bidding under the Employee Reservation Portion, or such extended time as permitted by the Stock Exchanges. It is clarified that Bids not uploaded would be rejected. Bids by ASBA Bidders shall be uploaded in the electronic system to be provided by the Stock Exchanges either by (i) a Syndicate/Sub Syndicate, (ii) the SCSBs, or (iii) a Registered Broker.

Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Investors please note that as per letter No. List/smd/sm/2006 dated July 3, 2006 and letter No. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Working Days. Bids by ASBA Bidders shall be uploaded in the electronic system to be provided by the Stock Exchanges either by (i) a Syndicate/Sub Syndicate, (ii) an SCSB, or (iii) a Registered Broker. Neither our Company, the Selling Shareholder nor any Syndicate/Sub-Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software/hardware system or otherwise.

On the Bid Closing Date, extensions of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least five Working Days prior to the Bid Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding Period will be extended for a minimum of three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the website of the BRLMs and at the terminals of the members of the Syndicate.

OFFER PROCEDURE

All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document") included below under sub-section titled "– Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to 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 Exchanges and the BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in compliance with Regulation 26(2) of the SEBI Regulations, wherein 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis. Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price.

In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Offer, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer, subject to the Net Offer constituting 25% of the fully diluted post Offer paid up equity share capital of our Company.

In case of QIBs (other than Anchor Investors) Bidding through the Syndicate ASBA, the BRLMs and the members of the Syndicate, may reject Bids at the time of acceptance of the Bid cum Application Form, provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds. In case of NIIs, RIIs and Eligible Employees Bidding in the Employee Reservation Portion, our Company has a right to reject Bids based on technical grounds only.

However, our Company and the Selling Shareholder, in consultation with the BRLMs reserve the right to reject any Bid received from Anchor Investors without assigning any reason.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid Lot for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Gujarati newspaper, Gujarat being the place where the Registered Office of our Company is situated, at least five Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders depository account, including DP ID, Client ID and PAN (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Bid cum Application Form

Retail Individual Bidders can submit their Bids by submitting Bid cum Application Forms, in physical form, to the members of the Syndicate, the sub-Syndicate or the Registered Brokers.

Bid cum Application Forms for the Retail Individual Bidders, will be available with the Syndicate/ sub-Syndicate members and at our Registered Office and Corporate Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), at least one day prior to the Bid Opening Date. Anchor Investor forms will be available with the BRLMs.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Kindly note that the Syndicate/ sub-Syndicate or the Registered Broker at the Syndicate Bidding Centres or the Registered Brokers Centres, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the sub-Syndicate or the Registered Brokers. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate/ sub-Syndicate and at our Registered Office and our Corporate Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date.

Upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank, and are liable for any failure in this regard.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and non ASBA) **	[●]
Non-Residents including Eligible NRIs, FVCIs and FIIs, and FPIs applying on a repatriation basis (ASBA and non ASBA) **	[●]
Anchor Investors ***	[●]
Eligible Employees applying under the Employee Reservation Portion	[●]

* Excluding electronic Bid cum Application Forms.

** Bid cum Application forms will also be available on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, or to the Syndicate (in Specified Cities).

*** Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled “Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 429, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Mutual Funds registered with SEBI. Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted;
- Venture Capital Funds and Alternative Investment Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Foreign Portfolio Investor registered with SEBI, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- State Industrial Development Corporations;
- Category III FPIs who are foreign corporate or foreign individuals only under the Non-Institutional Portion;
- Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- Insurance companies registered with IRDAI;
- Provident funds and pension funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India or by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- Eligible Employees; and
- Any other person eligible to Bid in the Offer under applicable laws.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of

their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and the Syndicate Members, the Promoters, the Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the 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.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

NRIs may obtain copies of Bid cum Application Form from the offices of BRLMs and Syndicate Members. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts for the amount payable on application remitted through normal banking channels or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorized by the RBI to deal in foreign exchange along with documentary evidence in support of the remittance. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("NRO") accounts.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

Bids by FIIs, FPIs and QFIs

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely FIIs and QFIs were to be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of

our post- Offer equity share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. Our Company, pursuant to a resolution passed by its shareholders at an EGM held on January 10, 2015, has approved investment limits of FIIs, RFPIs and their sub-accounts put together, up to 49% of the total paid-up equity share capital and of NRIs up to 24% of the equity share capital. The individual investment limits of an FPI/ sub-account and NRIs are currently 10% and 5% respectively, of the total paid-up equity share capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in ODIs (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such ODIs are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such ODIs are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any ODI is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by Eligible Employees

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- The sole/ First Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid cum Application Form or Revision Form.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- Eligible Employees may Bid in any of the bidding options at Cut-Off Price.
- The maximum Bid amount by any Eligible Employee cannot exceed ₹ 200,000.
- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Bid by an Eligible Employee can be made also in the Net Offer portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In the event of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer, subject to the Net Offer constituting 25% of the fully diluted post-Offer paid up equity share capital of our Company.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, please see the section titled “*Offer Procedure – Allotment Procedure and Basis of Allotment*” on page 454.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the “**IRDA Investment Regulations**”) are 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).

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949 is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2014). In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company and the Selling Shareholder in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that our Company, the Selling Shareholder and the BRLMs deem fit, without assigning any reasons therefore.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in one English national daily newspaper, one Hindi national daily newspaper and Gujarati newspaper, Gujarat being where the Registered Office of our Company is situated, each with wide circulation. In the pre- Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid 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 the Draft Red Herring Prospectus.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled “– *Part B – General Information Document for Investing in Public Issues*” on page 426, Bidders are requested to note the following additional information in relation to the Offer.

1. Our Company shall dispatch the Red Herring Prospectus and other Offer material including Bid cum Application Forms, to the Designated Stock Exchange, Syndicate/ sub-Syndicate, Bankers to the Offer, investors’ associations and SCSBs in advance.
2. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in one English national daily newspaper, one Hindi national daily newspaper and one Gujarati newspaper, Gujarat being where the Registered Office of our Company is situated, each with wide circulation at least five Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges’ websites.
3. It is not obligatory for the Registered Brokers to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard.

In case of Bid cum Application Form by non ASBA Bidders, Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks, which have branches in a Registered Broker Centre, shall ensure that at least one of its branches in the Registered Broker Centre accepts cheques. Registered Brokers shall deposit the cheque in any of the bank branch of the Escrow Collection Banks in the Registered Broker Centre. Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the Escrow Collection Banks. Registered Brokers shall retain all physical Bid cum Application Forms and send it to the Registrar to Offer after six months.

4. In case of Bid cum Application Forms submitted by ASBA Bidders, Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid cum Application Forms to the branch where the ASBA Account is maintained of the relevant SCSB for blocking of fund.
5. The Syndicate/ sub-Syndicate, the SCSBs and the Registered Brokers, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. All accepted Bids made at the Registered Broker Centre shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint. It is the Bidder’s responsibility to obtain the TRS from the Syndicate/ sub-Syndicate, the Designated Branches or Registered Brokers. The registration of the Bid by the Syndicate/ sub-Syndicate, the Designated Branches or Registered Brokers does not guarantee that the Equity Shares shall

be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier TRS and may request for a revised TRS from the Syndicate/ sub-Syndicate, the Registered Brokers or the SCSB as proof of his or her having revised the previous Bid.

6. Our Company and the Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price within the Price Band, without the prior approval of or intimation to the Bidders.
7. In relation to electronic registration of bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
8. In case of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to SCSB or to the Syndicate (in specified cities) to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus if the Bid was made through ASBA. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
9. In case of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account or unblocked, in case of ASBA Bidders.
10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate/ sub-Syndicate or the Registered Brokers, as the case may be, shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions.
11. Allocation to Non-Residents, including Eligible NRIs FIIs, and FPIs will be subject to applicable law, rules, regulations, guidelines and approvals.
12. The Allotment and trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

In addition to the information provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Interest and Refunds - Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants*” on page 459, Bidders are requested to note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Fresh Issue shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

Signing of the Underwriting Agreement and the RoC Filing

The Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 426, Bidders are requested to note the additional instructions provided below.

1. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
2. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms, or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
3. If you are a Non Institutional Bidder or QIB Bidder, do not submit your Bid after 4.00 p.m. on the Bid Closing Date;
4. Do not send your physical Bid cum Application Form by post. Instead submit the same with a Designated Branch of the SCSBs, Syndicate/ sub-Syndicate the Registered Brokers, as the case may be;
5. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only; and
6. Anchor Investors should not Bid through the ASBA process.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Offer;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the

Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);

26. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
27. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
28. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
29. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
30. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; Instead submit the same with a Designated Branch of the SCSBs, Syndicate/ sub-Syndicate the Registered Brokers, as the case may be;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Offer;
7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the
8. Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion);

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
13. Do not submit the GIR number instead of the PAN;
14. Do not submit the Bids without the full Bid Amount;
15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
17. If you are a QIB, do not submit your Bid after 3.00 p.m. on the Bid Closing Date for QIBs;
18. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid Closing Date;
19. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
21. Do not submit more than five Bid cum Application Forms per ASBA Account;
22. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
23. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>); and
24. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/ Application Form*” on page 430, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Bids through ASBA must be made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Red Herring Prospectus and in the Bid cum Application Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Escrow mechanism for non-ASBA Bidders

In addition to the payment instructions for non-ASBA Bidders as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Payment Details – Instructions for non-ASBA Bidders*” on page 438, non-ASBA Bidders are requested to note the following.

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of resident Retail Individual Bidders: “[●]”;
 - In case of Non-Resident Retail Individual Bidders: “[●]”; and
 - In case of Anchor Investors: “[●]” for resident Anchor Investors, and “[●]” for Non Resident Anchor Investors.
 - In case of Eligible Employees: “Escrow Account – [●] – Eligible Employees - R”.
2. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit Magnetic Ink Character Recognition (“MICR”) code are liable to be rejected.

Though Bidders can issue Non-CTS cheque, Bidders are advised to submit CTS compliant cheques.

In terms of the RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in separate clearing session. This separate clearing session was to operate thrice a week up to April 30, 2014, thereafter twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques may be rejected due to any delay in clearing beyond six Working Days from the Bid Closing Date.

PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORM (WHETHER CTS OR NON-CTS), FOR ANY REASON WHATSOEVER (INCLUDING BUT NOT LIMITED TO ANY NATURAL/MATERIAL CALAMITIES OR ANY EXTENSION BY THE BANK ON THE TIME PERIOD FOR CLEARING WITH PERMISSION OF RBI OR OTHERWISE), SUCH BID CUM APPLICATION FORM MAY BE CONSIDERED FOR REJECTION.

3. **Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.**

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 426, Bidders are requested to note that Bids may be rejected on the following additional technical grounds..

1. Bid submitted without payment of the entire Bid Amount;
2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the Bid Amount in the Bid cum Application Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled “*Who can Bid?*” on page 410;
5. Bid cum Application Form submitted to the BRLMs does not bear the stamp of the BRLMs or the Registered Brokers;
6. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the BRLMs, as the case may be;
7. Signature of First/sole Bidder missing;
8. With respect to ASBA Bids, the Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stockinvest/money order/postal order/cash;
14. Bids by persons in the United States ;
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date, unless extended by the Stock Exchanges.

PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORM (WHETHER CTS OR NON-CTS), FOR ANY REASON WHATSOEVER (INCLUDING BUT NOT LIMITED TO ANY MATERIAL CALAMITIES OR ANY EXTENSION BY THE BANK ON THE TIME PERIOD FOR CLEARING WITH PERMISSION OF RBI OR OTHERWISE), SUCH BID CUM APPLICATION FORM MAY BE CONSIDERED FOR REJECTION.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 8, 2014 among NSDL, our Company and the Registrar to the Offer.
- Agreement dated November 29, 2014 among CDSL, our Company and Registrar to the Offer.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if our Company does not proceed with the Offer after the Bid Closing Date, the reason thereof shall be given as a public notice within two days of the Bid Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That if our Company or the Selling Shareholder withdraw the Offer for Sale after the Bid Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to do an initial public offering;
- That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That except as disclosed in the section titled “Capital Structure” no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment; and
- Our Company shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

The Board of Directors declare that:

- application money shall be refunded within 15 days of the issue closing date or such other time as specified by SEBI or the Company shall pay of interest on failure thereof, as per applicable law.
- all money received from the Initial Public Offer shall be transferred to a separate bank account in accordance with Section 40(3), Companies Act, 2013.
- details of all monies utilised out of the fresh issue component of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the fresh issue component of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the promoters’ contribution, if applicable, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the promoters’ contribution, if applicable, shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- they are the legal and beneficial owner of the Equity Shares proposed to be transferred pursuant to the Offer for Sale;
- the Equity Shares proposed to be transferred by the Selling Shareholder in the Offer (a) have been held by the Selling Shareholder for a minimum period as specified in Regulation 26(6) of the SEBI Regulations (including the holding period of the CCDs); (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialized form at the time of transfer;
- that it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- that it shall be liable to refund the application monies in respect of the Equity Shares offered by it in the Offer for Sale, as required under applicable laws and statutory time limits, and in the event of failure to do so, shall pay interest to the non-ASBA Bidders as provided under the Companies Act, 2013 or any other applicable laws and regulations, provided such refund and interest shall be shared by our Company and the Selling Shareholder in proportion to the proceeds of Equity Shares Allotted in the Fresh Issue and transferred by way of the Offer for Sale, respectively;
- it shall provide all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and Anchor Investor allocation note, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall extend all reasonable cooperation requested by our Company and the BRLMs for issuing a public notice (in the same newspapers where the pre-Offer advertisements were published) within two days of the Bid Closing Date in the event our Company does not proceed with the Offer after the Bid Closing Date and informing the Stock Exchanges promptly in this regard;
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale within the time specified under applicable law; and
- it shall comply with all applicable laws including Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the SEBI Regulations, FEMA and the applicable circulars, guidelines and regulations issued by SEBI and the RBI, in relation to the Equity Shares offered by it in the Offer for Sale.

The decisions with respect to the Price Band, the minimum Bid lot, rupee amount of the Employee Discount, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholder, in consultation with the BRLMs.

Utilisation of Offer proceeds

The Company and the Selling Shareholder declare that all monies received out of this Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid Opening Date but before the Board meeting for Allotment. In such an event, our Company shall issue a public notice in the newspapers, in which the pre- Offer advertisements were published, within two days of the or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

If our Company and the Selling Shareholder withdraw the Offer after the Bid Closing Date and thereafter determine that they will proceed with an issue of our Company's Equity Shares or offer for sale by existing shareholders, our Company shall file a fresh draft red herring prospectus with SEBI and/or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the 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 Draft 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 Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

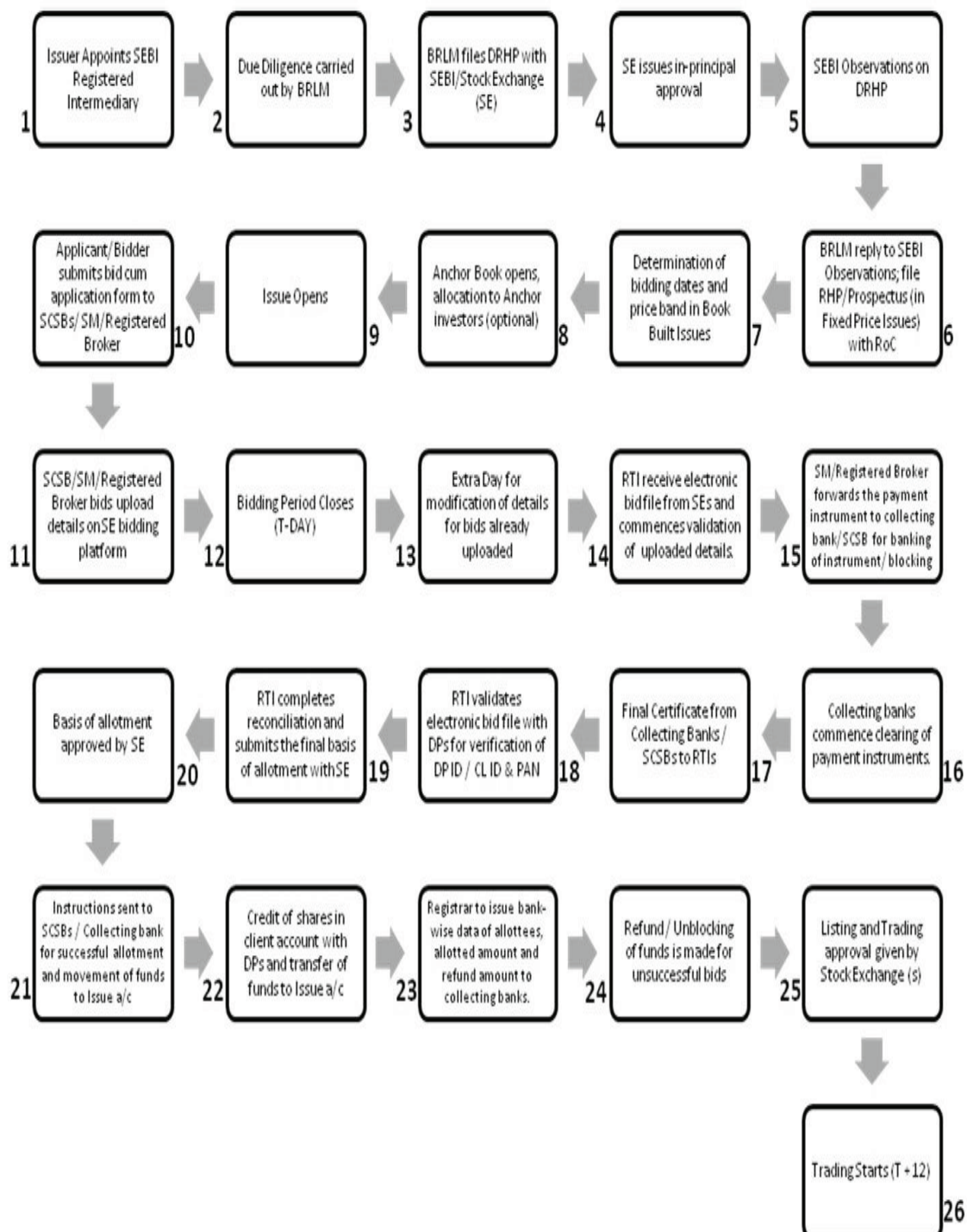
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - (i) Step 7 : Determination of Issue Date and Price
 - (ii) Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - (iv) Step 12: Issue period closes
 - (v) Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs 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 and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs on a repatriation basis	Blue
Anchor Investors	As specified by the Issuer

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA **XYZ LIMITED - PUBLIC ISSUE - R** **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

Logo To: **BOOK BUILDING ISSUE** Bid cum Application Form No. _____
The Board of Directors
XYZ Limited IN _____

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
ESCROWBANK/SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	2. PAN OF SOLE / FIRST APPLICANT _____
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID 4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off") <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) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</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) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB 6. Investor Status <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 <input type="checkbox"/> (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 - VC <input type="checkbox"/> Others (Please specify) - OTH <small>* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)</small>
Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																									
	Bid Price	Discount, if any		Net Price	"Cut-off" (Please tick)																								
Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>																								
(OR) Option 2					<input type="checkbox"/>																								
(OR) Option 3					<input type="checkbox"/>																								

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) _____ (₹ in words) _____

☐ (A) CHEQUE/ DEMAND DRAFT (DD) ☐ (B) ASBA

Cheque/DD No. _____ Dated DD / MM / YY _____ Bank A/c No. _____

Drawn on (Bank Name & Branch) _____ Bank Name & Branch _____

(WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT (WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. (We (on behalf of joint applicants, if any) hereby confirm that (We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE / FIRST APPLICANT Date: _____, 2011	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
--	--	--

TEAR HERE

XYZ LIMITED	Acknowledgement Slip for Syndicate Member / SCSB	Bid cum Application Form No. _____
DPID / CLID _____	PAN _____	
Amount Paid (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of Banker _____	
Cheque / DD/ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

TEAR HERE

XYZ LIMITED	Acknowledgement Slip for Bidder	Bid cum Application Form No. _____
Option 1 Option 2 Option 3	Name of Sole / First Applicant _____	
No. of Equity Shares _____		
Bid Price _____		
Amount Paid (₹) _____		
Cheque / DD/ASBA Bank A/c No. _____		
Bank & Branch _____		

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS	
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE528L01018	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
SCSB BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S / AGENT'S STAMP & CODE		Mr. / Ms. _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address _____	
				Tel. No. (with STD code) / Mobile _____	
				Email _____	
				2. PAN OF SOLE / FIRST APPLICANT _____	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				5. Investor Status	
For NSDL enter 5 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> NR Non Resident Indian (Repatriation basis)	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				<input type="checkbox"/> FI Foreign Institutional Investor	
Bid Options		No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)		<input type="checkbox"/> FVCI Foreign Venture Capital Investor	
		Price per Equity Share (FY "Cut-off") (Price in multiples of ₹ 1/- only) (in Figures)		<input type="checkbox"/> FISA FI Sub Account Corporate / Individual	
		Bid Price Discount, if any Net Price "Cut-off" (Price in ₹)		<input type="checkbox"/> OTH Others (Please Specify)	
Option 1				<input type="checkbox"/> Non-Institutional	
OR Option 2				<input type="checkbox"/> DIB	
OR Option 3					
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment	
Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)				<input type="checkbox"/> (B) ASBA	
Cheque/DD No. _____ Dated _____				Bank A/c No. _____	
Drawn on (Bank Name & Branch) _____				Bank Name & Branch _____	
I/WE ON BEHALF OF JOINT APPLICANTS (IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE "BIDDERS' UNDERTAKING" AS GIVEN OVERLEAF. I/We on behalf of joint applicants (if any) hereby confirm that I/We have read the instructions for Filling up the Bid Cum Application Form given overleaf.					
8A. SIGNATURE OF SOLE / FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to have the Application in the issue.			
		1) _____			
		2) _____			
		3) _____			
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____	
DP ID / CLID _____		PAN _____			
Amount Paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of Banker _____	
Cheque / DD/ASBA Bank A/c No. _____					
Received from: Mr./Ms. _____					
Telephone / Mobile _____		Email _____			
TEAR HERE					
XYZ LIMITED		Stamp & Signature of Syndicate Member / SCSB		Name of Sole / First Applicant _____	
No. of equity shares _____					
Bid Price _____					
Amount Paid (₹) _____					
Cheque / DD/ASBA Bank A/c No. _____					
Bank & Branch _____					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No. _____	

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the 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.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper where the Registered Office of our Company is situated, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - (i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

- (ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- (iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Upto 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favouring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - (i) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - (ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - (iii) in physical mode to a member of the Syndicate at the Specified Locations or
 - (iv) Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid

cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature

of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/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 Bidders/Applicants should contact the Registrar to the Issue.
 - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - (iii) In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - (iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker.
 - (v) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
 - (i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - (ii) name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - (iii) In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - (iv) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization

of allotment.

- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS	
Logo		To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENTS STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCBSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____ Tel. No. (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSE SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT _____	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
		7 6 5 4 3 2 1		4 3 2 1 4 3 2 1 4 3 2 1 "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
		7 6 5 4 3 2 1		4 3 2 1 4 3 2 1 4 3 2 1 "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA Cheque/DD No. _____ Dated DD/MM/YYYY Bank A/c No. _____ Drawn on (Bank Name & Branch) _____ Bank Name & Branch _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCBSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____, 2011		I/We authorize the SCBSB to do all acts as are necessary to make the Application in the issue			
		1) _____ 2) _____ 3) _____			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSE		Bid cum Application Form No.	
DPID / CLID		PAN			
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement of Syndicate Member / SCSE		Name of Sole / First Applicant	
No. of Equity Shares		Option 1 Option 2 Option 3			
Bid Price					
Additional Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No.	

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.

- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the

Issue to detect multiple applications:

- (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - (ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
- (i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - (ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favouring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

- (j) Upon submission of a completed Application Form each 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 consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each 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 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.

4.3.5.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	<p>(a) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form</p> <p>(b) To Registered Brokers</p>
ASBA Application	<p>(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres</p> <p>(b) To the Designated branches of the SCSBs where the ASBA Account is maintained</p>

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - (i) the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or

- (iv) With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that

category of investors;

- (k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

- (e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to

revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price 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 Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net 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.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot

shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
 - (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 **BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, 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 AND 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 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus. If such money is not repaid within the prescribed

time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received in a manner prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and other applicable laws. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs, FPIs and FIIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**— Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**— Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**— Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/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 Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

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 Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids 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/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids 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/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount

Term	Description
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM/ Book Running Lead Manager/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in

Term	Description
	respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
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 Book Running Lead Managers
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
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
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs, FIIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder

Term	Description
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
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, 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 Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies

Term	Description
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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Offer (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Article	Sub-article	Particular
SHARE CAPITAL AND VARIATION OF RIGHTS		
2.		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 par or at a premium or at consideration otherwise than in cash and at such time as they may from time to time think fit. The Company may issue equity shares with voting rights and/or with differential rights as to dividend, voting or otherwise, and preference shares, in accordance with the Rules. The Directors may also authorize the issue of securities, non-convertible or convertible into shares of the Company, and such securities shall be governed by the provision of the Act, these Articles and by such other terms and conditions on which the securities have been issued.
3.		Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission voting and otherwise
4.	(i)	Every Person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months 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 provide: <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of such sum as may be prescribed for each certificate after the first.</p>
	(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 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 shares to one of several joint holders shall be sufficient delivery to all such holders.
4A.		Every person whose name is entered as a Member in the Register of Members shall, upon request, and subject to such conditions, including the payment of fees as may be prescribed, be entitled to receive: <p>(a) one certificate for all his shares; or several certificates, each for one or</p> <p>(b) more of his shares.</p>
5.	(i)	If any share certificate is worn out, defaced, mutilated or torn or if there is 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 indemnity or such other documents as may be prescribed by the Board, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board from time to time.
	(ii)	The provisions of the foregoing article relating to issue of certificates shall <i>mutatis mutandis</i> apply to debentures or other securities of the Company.
6.		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 Articles 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.
7.	(i)	The Company may exercise the powers of paying commissions conferred under the Act to any person in connection with the subscription to its securities, 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 under the Act and Rules.
	(ii)	The rate or amount of the commission shall not exceed the rate or amount prescribed in Rules.

Article	Sub-article	Particular
SHARE CAPITAL AND VARIATION OF RIGHTS		
	(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.
8.	(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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of holders of the issued shares of that class, or with the sanction of a resolution passed at a separate General Meeting of the holders of the shares of that class, in the manner prescribed under the Act.
	(ii)	To every such separate General Meeting, the provisions of these Articles relating to General Meetings shall <i>mutatis mutandis</i> apply.
9.		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 <i>pari passu</i> therewith.
10.		Subject to the provisions of the Act, any preference shares of one or more classes which are liable to be redeemed or converted into equity shares, may be issued or re-issued by the Company, on such terms and in such manner as the Company may before the issue of the shares determine.
11.		<p>The Board or the Company as the case may be, may, by way of right issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further securities to:</p> <p>(a) Persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favor of any other Person; or</p> <p>(b) employees under any scheme of employees' stock option; or</p> <p>(c) any Person whether or not those Persons include the Persons referred to in clause (a) or clause (b) above;</p>
DEMATERIALISATION OF SECURITIES		
12.	(i)	<p>For the purpose of this Article:</p> <p>(a) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.</p> <p>(b) "Depositories Act" means the Depositories Act, 1996, including any statutory modifications thereof for the time being in force.</p> <p>(c) "Depository" means a company formed and registered under the Companies Act, 1956 and/or the Companies Act, 2013 and which has been granted a certificate of registration under sub-section 1A of Section 12 of the Securities and Exchange Board of India Act, 1992.</p> <p>(d) "Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.</p> <p>(e) "Beneficial Owner" means a Person whose name is recorded as such with a depository.</p> <p>(f) "Participant" means a Person registered as such under Section 12A of the Securities and Exchange Board of India Act, 1992.</p> <p>(g) "Records" includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulations made by the SEBI in relation to the Depositories Act.</p> <p>(h) "Regulations" means the regulations made by SEBI.</p> <p>(i) "Security" means such security as may be specified by SEBI.</p>

Article	Sub-article	Particular
SHARE CAPITAL AND VARIATION OF RIGHTS		
		Words and expressions used but not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act.
	(ii)	Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including Shares) with a Depository in electronic form and the certificate in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
	(iii)	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
	(iv)	Every Person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.
	(v)	If a Person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.
	(vi)	All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 and other applicable provisions of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
	(vii)	<p>(a) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.</p> <p>(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.</p>
	(viii)	Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any Share in the joint names of any two or more Persons or the survivors or survivors of them.
	(ix)	Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
	(x)	Upon receipt of certificates of securities on surrender by a Person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
	(xi)	If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.
	(xii)	The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.
	(xiii)	The Company shall within thirty days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee

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		as the case may be.
	(xiv)	Notwithstanding anything in the Act, or these Articles, to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
	(xv)	Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares in physical form subject to the provisions of the Depository Act.
	(xvi)	Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
	(xvii)	The Shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.
LIEN		
13.	(i)	“Fully paid-up shares shall be free from all lien. The Company shall have a first and paramount lien on every share (not being a fully paid share), for all monies called or payable at a fixed time, in respect of that share; and
	(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 share.
14.		The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien: Provided that no such 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.
15.	(i)	To give effect to any such sale, the Board may authorise any person to transfer the shares to the purchaser.
	(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.
16.	(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.
17.		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other Person, whether a creditor of the registered holder or otherwise. The Company’s lien shall prevail notwithstanding that it has received notice of any such claim.
18.		The provisions of these Articles relating to Lien shall <i>mutatis mutandis</i> apply to any other Securities including debentures of the Company.
19.		Subject to the provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, and other laws and regulations issued in this context, the Company may at any time authorize the Board to create or implement one or more employee stock option plans or employee stock purchase plans, which may run simultaneously to any issue of Shares or

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		securities to its employees and/or any other Persons whose contributions to the Company's performance including profitability is of material importance. The Board may, at its discretion, create one or more trusts or other special purpose vehicles of any nature, and/or any other mechanism to implement one or more employee stock option plans or employee stock purchase plans and/or use the offices of any intermediaries to conceptualize, implement, manage, and/or administer any such schemes from time to time.
20.		<p>Subject to the provisions of Section 55, Section 43 and other applicable provisions, if any, of the Act and the Rules and the provisions of these Articles, the Company shall by a Special Resolution have power to issue or re-issue preference Shares / cumulative convertible preference Shares of one or more classes which are liable to be redeemed or converted to equity Shares, with such rights and on such terms and conditions that are prescribed in this behalf from time to time.</p> <p>Provided that:</p> <p>(i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of redemption;</p> <p>(ii) No such Shares shall be redeemed unless they are fully paid;</p> <p>(iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the Shares are redeemed;</p> <p>(iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Act and the Rules apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.</p>
	(b)	Subject to the provisions of Section 55 of the Act and the Rules and subject to the provisions on which any Shares may have been issued, the redemption of preference Shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
CALLS ON SHARES		
21.	(i)	<p>The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>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.</p>
	(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.
22.		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in a General Meeting.
23.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24.	(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 other rate, as the Board may determine.

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25.	(ii)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
	(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 Articles, 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 Articles 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.
26.		<p>The Board—</p> <p>(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 share held by such Member; and</p> <p>(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.</p> <p>Nothing contained in this Article shall confer on the member (a) any right to participate in profits or dividends, or (b) any voting rights in respect of the moneys so paid by such Member until the same would, but for such payment, become presently payable by such Member.</p>
27.		The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
TRANSFER OF SHARES		
28.	(i)	A common form of transfer shall be used.
	(ii)	The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
	(iii)	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 of such share.
29.		<p>The Board may, subject to the right of appeal conferred by the Act decline to register –</p> <p>(a) the transfer of a share, not being a fully paid share, to a Person of whom they do not approve; or</p> <p>(b) any transfer of a share on which the Company has a lien.</p> <p>Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p>
30.		<p>In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless—</p> <p>(a) the instrument of transfer is in the form as prescribed in the Rules;</p> <p>(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</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>
31.		<p>On giving not less than seven days' previous notice in accordance with the Act and Rules, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
32.		The provision of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
TRANSMISSION OF SHARES		

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33.	(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.
34.	(i)	Any Person becoming entitled to a shares 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.
35.	(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 an instrument for transfer in the form prescribed in the Rules.
	(iii)	All the limitations, restrictions and provisions of these Articles 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.
36.		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 at a General Meetings. 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		
37.		If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on such Member requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
38.		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.
39.		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.
40.	(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.
41.		Neither the receipt by the Company for a portion of any money which may from time to time

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		be due from any Member in respect of such Member's shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share
42.	(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 together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation.
43.	(i)	A duly verified declaration in writing that the declarant is a Director, the manager or the Company 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.
44.		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.
45.		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
46.		The provisions of these Articles 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.
47.		The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
ALTERATION OF CAPITAL		
48.		Subject to provisions of the Act the Company may, from time to time, increase the share capital by such sum, to be divided into share of such amount, as may be specified in the resolution.
49.		Subject to the provisions of the Act , the Company may, from time to time: <ul style="list-style-type: none"> (a) increase its share capital by such amount as it thinks expedient by issuing new shares; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed

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		by the memorandum;
		(e) 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.
		(f) reclassify its authorised share capital by converting one class of unissued shares or securities in another class of shares or securities.
50.		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 Articles 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, however, such minimum amount 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 General 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 Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those Articles shall include “stock” and “stock-holder” respectively.
51.		The Company may, subject to provisions of the Act, 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 securities premium account.
		(d) any other reserve in the nature of share capital
CAPITALISATION OF PROFITS		
52.	(i)	The Company in a 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 or other securities 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);
	(iii)	A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to

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	(iv)	Members of the Company as fully paid bonus shares; The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
53.	(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 or other securities, 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 or other securities 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 or other securities 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		
54.		Notwithstanding anything contained in these articles but subject to the provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities by following the procedure prescribed in the Act.
GENERAL MEETINGS		
55.		All General Meetings other than Annual General Meeting shall be called Extra ordinary General Meeting.
56.		The Board may, whenever it thinks fit, call an Extra ordinary General Meeting.
PROCEEDINGS AT GENERAL MEETINGS		
57.	(i)	No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the General Meeting proceeds to business.
	(ii)	The quorum for the General Meetings shall be as provided in the Act.
58.		One of the Promoter Director shall act as a Chairman of the General Meeting.
59.		If the Chairman is not present within fifteen minutes after the time appointed for holding the General Meeting, or is unwilling to act as Chairman of the General Meeting, the Promoter Directors shall elect one of the Member of the Board to be Chairman of the General Meeting.
60.		If at any General Meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be Chairman of the General Meeting.
61.		On any business at any General Meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the General Meeting shall have second or casting vote.
62.		The Company shall cause minutes of the proceedings of every General Meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books maintained for that purpose with their pages consecutively numbered. The minutes of the General Meeting maintained in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
63.		There shall not be included in the minutes any matter which, in the opinion of the Chairman of the General Meeting: (a) is, or could reasonably be regarded, as defamatory to any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.

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ADJOURNMENT OF MEETING		
64.	(i)	The Chairman may, <i>suo moto</i> and, in the absence of quorum adjourn a General Meeting from time to time and from place to place.
	(ii)	No business shall be transacted at any adjourned General Meeting other than the business left unfinished out of the business to be transacted as mentioned in the notice from which the adjournment took place.
	(iii)	When a General Meeting is adjourned for thirty days or more, notice of the adjourned General Meeting shall be given as in the case of an original General Meeting.
	(iv)	Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
VOTING RIGHTS		
65.		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 or through voting by electronic means, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.
66.		A Member may exercise his vote by electronic means in accordance with the Act and the Rules and shall vote only once at a General Meeting or otherwise.
67.	(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.
68.		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 or through voting by electronic means, by his nominee or other legal guardian, and any such nominee or guardian may, on a poll, vote by proxy.
69.		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
70.		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.
71.	(i)	No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting shall be valid for all purposes.
	(ii)	Any such objection made in due time shall be referred to the Chairman of the General Meeting, whose decision shall be final and conclusive.
72.		Any Member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.
PROXY		
73.		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 General Meeting or adjourned General 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.
74.		An instrument appointing a proxy shall be in the form as prescribed in the Rules.
75.		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 General Meeting or adjourned General Meeting at which the proxy is used.
BOARD OF DIRECTORS		
76.	(i)	Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three and shall not be

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		more than fifteen.
	(ii)	The first Directors of the Company are: (a) Shri Aditya Bafna (b) Shri Shubhendra Kumar Bafna (c) Smt. Sumitra Bafna
77.		M/s Kalpataru Power Transmission Limited shall be entitled to appoint at least two directors on the Board of the Company.
78.		Any one of the Promoter Director shall not be liable to retire by rotation. The Board shall have the power to determine the rest of the directors whose period of office is or is not liable to determine by retirement of rotation.
79.		The same individual may, at the same time, be appointed as Chairman of the Company as well as Managing Director or Chief Executive Officer of the Company.
80.	(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 or any committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.
81.		All cheques, promissory notes, drafts, <i>hundis</i> , 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 or any duly constituted committee thereof shall from time to time by resolution determine.
82.		Every Director present at any meeting of the Board or of a committee thereof shall sign against his name in a record to be kept for that purpose.
83.	(i)	Subject to the provisions of the Act and the other provisions of these Articles, the Board shall have power at any time, and from time to time, to appoint any 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 and shall be eligible for appointment by the Company as a Director at that Annual General Meeting subject to the provisions of the Act.
84.	(i)	Subject to the provisions of the Act and the other provisions of these Articles, the Board may appoint an Alternate Director (not being a person holding alternate directorship for any other Director) to act for a Director (herein after in this Article called “the Original Director”) during his absence for a period not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.
	(ii)	An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.
	(iii)	If the term of office of the Original Director is determined before he returns to India, the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not the Alternate Director.
85.	(i)	If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board at a meeting of the Board.
	(ii)	The Director so appointed shall hold office only up to the date till which the Director in whose place he is appointed would have held office if it had not been vacated.
86.		The Company may remove a Director so appointed on the Board, in compliance with the applicable provisions of the Act and the Rules.
NOMINEE DIRECTOR		
87.		Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such

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		other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares / debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board as their nominee on the Board. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, meetings of the Board and of any committee thereof of which he is a Member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings.
MANAGEMENT UNDER GENERAL CONTROL OF DIRECTORS		
88.	(i)	The general control, management and supervision of the Company shall vest in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by its Memorandum or otherwise authorised, except as are required to be exercised or done by the Company in a General Meeting, but subject nevertheless to the provisions of the Act, and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting, provided that no such regulation shall invalidate any prior acts of the Directors which would have been valid if such regulation had not been made.
	(ii)	Subject to the provisions of the Act, the Board may borrow, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture- stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
	(iii)	Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors are, in any manner, interested
	(iv)	A Director, Managing Director, officer or employee of the Company may be or become a Director, of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.
	(v)	If the Directors or any of them or any other person, shall become personally liable for the payment of sum primarily due from the Company, the Board may subject to the provisions of the Act execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
	(vi)	A Director may resign from his office upon giving notice in writing to the Company.
PROCEEDINGS OF THE BOARD		
89.	(i)	The Board 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 Company Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board
	(iii)	The quorum for a Board meeting shall be as provided in the Act. Any subsequent meeting, due to adjournment of the Board Meeting for want of quorum shall be held as provided in the Act.
	(iv)	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
90.	(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.

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91.	(ii)	In case of an equality of votes, the Chairman of the Board shall have a second or casting vote. 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, but for no other purpose.
92.	(i)	“The chairman at meetings of the Board shall be an independent director. Provided that M/s Kalpataru Power Transmission Limited may, at any time, propose the appointment of a Promoter Director as the chairman, in which case such Promoter Director shall be the chairman of the meetings of the Board for such period as may be proposed by M/s Kalpataru Power Transmission Limited and the Board shall be re-constituted, if required, in order to comply with applicable laws including the listing agreement.”
	(ii)	If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, any one of the Promoter Directors may choose one of the Board member to be the Chairman of the meeting.
93.	(i)	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members as it thinks fit.
	(ii)	Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations (including quorum requirements) that may be imposed on it by the Board.
	(iii)	The participation of members in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
94.	(i)	A committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such committee.
	(ii)	If no such Chairman is elected, or if at any meeting the Chairman 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 Chairman of the meeting.
95.	(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 Chairman shall have a second or casting vote.
96.		All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
97.		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, whether manually or electronically, 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.
MANAGING DIRECTORS		
98.	(i)	Subject to the provisions of the Act and of these Articles the Board shall have power to appoint on the recommendation of the Promoter Director(s) from time to time any of its members as a Managing Director and / or Whole Time Director of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions, including liability to retire by rotation, as the Board thinks fit, and the Board may by resolution vest in such Managing Director / Whole Time Director(s), such powers as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restrictions as it may determine. The remuneration of such Managing Directors / Whole Time Director may be way of monthly remuneration and/ or fee for each meeting and / or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
	(ii)	The Directors may, on appointment of more than one Managing Director, designate one or more of them as “Joint Managing Director” or “Joint Managing Directors” or “Deputy Managing Directors”, as the case may be.
	(iii)	Subject to the provisions of the Act, the appointment and payment of remuneration to the Managing Directors / Whole Time Director shall be subject to approval of the Members in the General Meeting and of the Central Government, if required.

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	(iv)	Wholetime Director may be designated as Executive Director, President and/or special directors like Technical Director, Finance Director etc.
	(v)	Managing Directors and Wholetime Directors, unless otherwise decided by the Board, shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. Such reappointment as a Director shall not constitute a break in his appointment as a Managing Director or Wholetime Director.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
99.		<p>Subject to the provisions of the Act,—</p> <p>(a) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.</p> <p>(b) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.</p> <p>A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.</p>
THE SEAL		
100.	(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 one Director and of the Company Secretary or such other person as the Board or Committee may appoint for the purpose; and such one Director and Secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his /her presence.
DIVIDENDS AND RESERVE		
101.		The Company may at a General Meeting declare dividends, but no dividend shall exceed the amount recommended by the Board. However, the Company may at a General Meeting declare a lesser dividend.
102.		Subject to the provisions of the Act, the Board may from time to time pay to the Members interim dividends of such amount on such class of shares as appear to it to be justified by the profits of the Company.
103.	(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, thinks fit.
	(ii)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
104.	(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 Article 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.
105.		The Board may deduct from any dividend payable to any Member all sums of money, if

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		any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
106.	(i)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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.
	(iii)	Payment in any way whatsoever shall be made at the risk of the Person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
107.		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.
108.		Notice of any dividend that may have been declared shall be given to the Persons entitled to a share therein in the manner mentioned in the Act.
109.		The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the Member (or the Person entitled to the share in consequence of death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
110.		All unpaid and unclaimed dividends shall be dealt with in accordance with the provisions of Act and rules made thereunder. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
111.		No dividend shall bear interest against the Company.
ACCOUNTS		
112.	(i)	The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.
	(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 by the Company at a General Meeting.
REGISTERS		
113.		<p>The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act, the Rules and the Depositories Act, 1996. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.</p> <p>The Company shall have the power to keep in any state or country outside India a register resident in that state or country</p>
114.		The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of under the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
WINDING UP		
115.		<p>Subject to the applicable provisions of the Act and Rules:</p> <p>(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p>

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		<p>(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.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
INDEMNITY AND INSURANCE		
116.	(i)	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.
	(ii)	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
GENERAL POWER		
		Wherever in the Act or in any other law or statute, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorised by its Articles, then in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Offer

1. Offer Agreement among our Company, the Selling Shareholder and the BRLMs dated February 19, 2015.
2. Agreement among our Company, the Selling Shareholder and Registrar to the Offer dated February 19, 2015.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs, the Escrow Collection Banks, the Registrar to the Offer and the Syndicate Members.
4. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the Registrar.
6. Agreement dated December 8, 2014, among NSDL, our Company and the Registrar to the Offer.
7. Agreement dated November 29, 2014, among CDSL, our Company and the Registrar to the Offer.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation dated January 19, 2007 and fresh certificate of incorporation dated April 20, 2007 consequent to conversion into a public company.
3. Resolutions of the Board of Directors dated January 7, 2015 and February 5, 2015 authorising the Offer, subject to the approval of the shareholders of our Company for Fresh Issue, and such other authorities as may be necessary.
4. Resolution of our shareholders dated January 10, 2015 and February 6, 2015, under section 62(1)(c) of the Companies Act, 2013 authorising the Fresh Issue.
5. Consent letters of the Selling Shareholder authorizing the Offer for Sale.
6. Resolution of the IPO Committee dated [●], approving this Draft Red Herring Prospectus and taking on record the Offer for Sale by the Selling Shareholder.
7. Resolution of the board of directors of Selling Shareholder dated December 8, 2014 approving the Offer for Sale and proposal letter dated January 7, 2015.

8. Report of the Auditor dated January 7, 2015 on the Restated Financial Statements.
9. Statement of Tax Benefits from Deloitte Haskins & Sells LLP, Chartered Accountants dated February 2, 2015.
10. Copies of annual reports of our Company for the previous five fiscal years.
11. Consent of the Statutory Auditors to include their reports on the Restated Financial Statements as of and for the fiscal years ended March 31, 2010, 2011, 2012, 2013 and 2014 and the six month period ended September 30, 2014, in the form and context in which they appear in this Draft Red Herring Prospectus and consent of the Statutory Auditors to include their name as an expert under section 26 of the Companies Act, 2013.
12. Consent from Deloitte Haskins & Sells LLP, Chartered Accountants to include their statement of special tax benefits dated February 2, 2015, in the form and context in which they appear in this Draft Red Herring Prospectus and to include their name as required under section 26 of the Companies Act, 2013 and as an expert under section 26 of the Companies Act, 2013.
13. Certificates dated January 19, 2015 from Kailas Pawar & Associates, Consulting Engineer, Architect & Valuer on storable floor plate area and corresponding storage capacity of the warehouses managed and operated by our Company and consent from to be named as an expert under section 26 of the Companies Act, 2013.
14. Consents of Bankers to our Company, the BRLMs, Syndicate Members*, Registrar to the Offer, Escrow Collection Bank(s)*, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Legal Counsels to the Company, Legal Counsel to the BRLMs, CRISIL, as referred to, in their respective capacities.
15. Consent from CRISIL Limited dated January 28, 2015 for reproducing the CRISIL DPR Report and CRISIL Industry Report
16. Investment agreement dated April 4, 2013 among KPTL, Mr. Aditya Bafna, Mr. Shubhendra Kumar Bafna, our Company and Tano and Amendment Agreement dated February 5, 2015.
17. Share purchase agreement dated December 31, 2014 between our Company, PHTCPL and Mr. Mofatraj P. Munot, Mofatraj P. Munot HUF and Mr. Parag M. Munot.
18. Loan agreement dated April 10, 2013 and supplemental loan agreement dated June 13, 2013 between our Company and KPTL.
19. Loan agreement between our Company and Yes Bank dated August 25, 2014 and credit facilities letter dated June 30, 2014.
20. Trade mark license agreement dated January 23, 2015 between Kalpataru Properties Private Limited and our Company.
21. In-principle listing approvals dated [●] and [●] received from the BSE and the NSE, respectively.
22. Service agreements with the managing director of the Company, Dr. Prakash Bakshi dated October 1, 2014 and executive directors of the Company, Mr. Aditya Bafna and Mr. Shubhendra Bafna both dated May 12, 2014, in relation to their appointment.
23. Due diligence certificate dated February 19, 2015 to SEBI from the BRLMs.
24. SEBI observation letter [●] and our in-seriatim reply to the same dated [●].

**Will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

1. DECLARATION BY THE COMPANY

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Dr. Bibhuti Bhusan Pattanaik <i>Chairman and non- executive Independent Director</i>	Mr. Ramalingam Ramaseshan <i>Non-executive Independent Director</i>
Ms. Preeti Kaushik Trivedi <i>Non-executive Independent Director</i>	Mr. Manish Mohnot <i>Non-executive Director</i>
Mr. Hetal Madhukant Gandhi <i>Non-executive Director</i>	Dr. Prakash Bakshi <i>Managing Director</i>
Mr. Kamal Kishore Jain <i>Non-executive Director</i>	Mr. Aditya Bafna <i>Executive Director</i>
Mr. Shubhendra Kumar Bafna <i>Executive Director</i>	

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Vishesh Singhvi (Chief Financial Officer)	
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Date: February 19, 2015
Place: Mumbai

2. DECLARATION BY TANO INDIA PRIVATE EQUITY FUND II

Tano India Private Equity Fund II certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus in so far as they pertain to itself and the Equity Shares offered by it in the Offer for Sale, are true and correct and it assumes no responsibility for statements of any other person(s).

SIGNED ON BEHALF OF TANO INDIA PRIVATE EQUITY FUND II

Name: Zoubeir Khatib

Designation: Director

Date: February 19, 2015

Place: Mauritius