



## VARDAAN BIOTECH LIMITED

(Formerly known as 'Vardaan Biotech Private Limited')

Our Company was incorporated as 'Vardaan Biotech Private Limited' pursuant to a certificate of incorporation dated December 20, 2007 issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh, as a private limited company under the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of the company was changed from 'Vardaan Biotech Private Limited' to 'Vardaan Biotech Limited' vide special resolution passed by the shareholders at an extra-ordinary general meeting convened at January 05, 2021 and a fresh certificate of incorporation was issued by the Registrar of Companies, Gwalior dated January 15, 2021. For further details, pertaining to the changes in the registered office and name of our Company, please refer the section titled '*History and Certain Other Corporate Matters*' beginning on page 154 of this Draft Prospectus.

**Corporate Identity Number:** U15495MP2007PLC020132

**Registered Office:** C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India

**Corporate Office:** Plot No. 312, KLR Venture, Medchal, Medchal-Malkajgiri District, Hyderabad – 501 401, Telangana, India; **Website:** [www.vardaanbiotech.com](http://www.vardaanbiotech.com)

**Contact Person:** Srishti Jain, Company Secretary and Compliance Officer; **Telephone No:** +91-734-2525903; **E-mail ID:** [vardaanipo@gmail.com](mailto:vardaanipo@gmail.com)

### OUR PROMOTERS

**LOKENDRA RAJPUT, RASHMI RAJPUT, AND PUSHPA RAJPUT**

### THE ISSUE

**INITIAL PUBLIC ISSUE OF UP TO 10,88,000 (TEN LAKH EIGHTY-EIGHT THOUSAND) EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) EACH ('EQUITY SHARES') OF VARDAA BIOTECH LIMITED ('COMPANY' OR 'ISSUER') FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹[●]/- PER EQUITY SHARE) ('ISSUE PRICE') AGGREGATING UP TO ₹[●] LAKHS ('ISSUE'), OF WHICH [●] EQUITY SHARES FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE INCLUDING SHARE PREMIUM OF ₹[●]/- PER EQUITY SHARE AGGREGATING TO ₹[●]/- WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE ('MARKET MAKER RESERVATION PORTION'). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UPTO [●] EQUITY SHARES AT AN ISSUE PRICE OF ₹[●]/- PER EQUITY SHARE AGGREGATING TO ₹[●]/- IS HEREIN AFTER REFERRED TO AS THE 'NET ISSUE'. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED '*TERMS OF THE ISSUE*' BEGINNING ON PAGE 243 OF THIS DRAFT PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE**

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 this Issue is being made for at least 25.00% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('SEBI (ICDR) Regulations') wherein a minimum 50.00% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual Investors other than Retail Individual Investors and Other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Investors is less than 50.00%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Investors category is entitled to more than 50.00% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. For further details, please refer the section titled '*Issue Information*' beginning on page 243 of this Draft Prospectus.

In terms of the Securities and Exchange Board of India ('SEBI') Circular bearing reference number CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ('ASBA') process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ('SCSBs') for the same. For details in this regard, specific attention is invited to '*Issue Procedure*' on page 252 of this Draft Prospectus. A copy will be delivered for filing to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the equity shares is ₹10.00/- (Rupees Ten Only) per Equity Share and the Issue Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager to Issue) as stated in the section titled on '*Basis of the Issue Price*' beginning on page 86 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled '*Risk Factors*' beginning on page 23 of this Draft Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on SME Platform of National Stock Exchange Limited ('NSE Emerge'). In terms of the Chapter IX of the SEBI (ICDR) Regulations, our Company has received an in-principle approval letter dated [●] from NSE Emerge for using its name in this Draft Prospectus for listing of our Equity Shares on the NSE Emerge. For the purpose of this Issue, the designated Stock Exchange will be the NSE Emerge.

### LEAD MANAGER TO THE ISSUE

**CAPITALSQUARE<sup>TM</sup>**  
Teaming together to create value

**CAPITALSQUARE ADVISORS PRIVATE LIMITED**

208, 2nd Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (E),

Mumbai – 400093, Maharashtra, India

**Tel:** +91-22-66849999/9874283532

**Website:** [www.capitalsquare.in](http://www.capitalsquare.in)

**Email/ Investor Grievance ID:** [tanmoy.banerjee@capitalsquare.in](mailto:tanmoy.banerjee@capitalsquare.in)

[mb@capitalsquare.in](mailto:mb@capitalsquare.in)

**Contact Person:** Mr. Tanmoy Banerjee

**SEBI Registration No:** INM000012219

### REGISTRAR TO THE ISSUE



**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane,

Lower Parel (E) Mumbai – 400011, Maharashtra, India

**Tel:** 022 2301 2518 / 8261,

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

**Email/ Investor Grievance E-mail ID:** [support@purvashare.com](mailto:support@purvashare.com)

**Contact Person:** Mr. Rajesh Shah/ Ms. Purva Shah/ Ms. Deepali Dhuri

**SEBI Registration No:** INR000001112

### ISSUE PROGRAMME

**ISSUE OPENING DATE:** [●]

**ISSUE CLOSING DATE:** [●]

***(This page is intentionally left blank)***

## TABLE OF CONTENTS

|                                                                                             |            |
|---------------------------------------------------------------------------------------------|------------|
| <b>SECTION I – GENERAL .....</b>                                                            | <b>2</b>   |
| DEFINITIONS AND ABBREVIATIONS .....                                                         | 2          |
| CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....              | 14         |
| FORWARD LOOKING STATEMENTS .....                                                            | 16         |
| <b>SECTION II – SUMMARY OF THE DRAFT PROSPECTUS .....</b>                                   | <b>18</b>  |
| <b>SECTION III – RISK FACTORS .....</b>                                                     | <b>23</b>  |
| <b>SECTION IV – INTRODUCTION .....</b>                                                      | <b>53</b>  |
| THE ISSUE .....                                                                             | 53         |
| SUMMARY FINANCIAL STATEMENTS .....                                                          | 54         |
| <b>SECTION V – GENERAL INFORMATION .....</b>                                                | <b>58</b>  |
| <b>SECTION VI – CAPITAL STRUCTURE.....</b>                                                  | <b>67</b>  |
| <b>SECTION VII – PARTICULARS OF THE ISSUE .....</b>                                         | <b>81</b>  |
| OBJECTS OF THE ISSUE .....                                                                  | 81         |
| BASIS OF THE ISSUE PRICE .....                                                              | 86         |
| STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS .....                                            | 88         |
| <b>SECTION VIII – ABOUT OUR COMPANY .....</b>                                               | <b>90</b>  |
| INDUSTRY OVERVIEW .....                                                                     | 90         |
| OUR BUSINESS.....                                                                           | 122        |
| KEY INDUSTRY REGULATIONS AND POLICIES .....                                                 | 145        |
| HISTORY AND CERTAIN OTHER CORPORATE MATTERS .....                                           | 154        |
| OUR MANAGEMENT.....                                                                         | 159        |
| OUR PROMOTERS AND PROMOTER GROUP .....                                                      | 173        |
| OUR GROUP COMPANIES .....                                                                   | 180        |
| DIVIDEND POLICY .....                                                                       | 181        |
| <b>SECTION IX – FINANCIAL INFORMATION .....</b>                                             | <b>182</b> |
| RESTATED FINANCIAL STATEMENTS .....                                                         | 182        |
| CAPITALISATION STATEMENT.....                                                               | 203        |
| OTHER FINANCIAL INFORMATION .....                                                           | 204        |
| MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF<br>OPERATIONS ..... | 205        |
| FINANCIAL INDEBTNESS .....                                                                  | 221        |
| <b>SECTION X – LEGAL AND OTHER INFORMATION .....</b>                                        | <b>222</b> |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....                                      | 222        |
| GOVERNMENT AND OTHER APPROVALS .....                                                        | 225        |
| OTHER REGULATORY AND STATUTORY DISCLOSURES.....                                             | 228        |
| <b>SECTION XI – ISSUE INFORMATION.....</b>                                                  | <b>243</b> |
| TERMS OF THE ISSUE.....                                                                     | 243        |
| ISSUE STRUCTURE.....                                                                        | 249        |
| ISSUE PROCEDURE .....                                                                       | 252        |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....                                | 298        |
| <b>SECTION XII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION ..</b>   | <b>301</b> |
| <b>SECTION XIII – OTHER INFORMATION.....</b>                                                | <b>315</b> |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....                                       | 315        |
| DECLARATION .....                                                                           | 317        |

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies or unless otherwise specified, the following terms and abbreviations have the following meanings in this Draft Prospectus, and references to any statute or rules or guidelines or regulations or circulars or notifications or policies will include any amendments, clarifications, modifications, replacements or re-enactments notified thereto, from time to time.

The words and expressions used but not defined in this Draft Prospectus will (to the extent applicable) have the same meaning as assigned to such terms under the Companies Act 2013, the Securities and Exchange Board of India Act, 1992 (the ‘SEBI Act’), the Securities Contracts (Regulation) Act, 1956 (the ‘SCRA’), the Depositories Act, 1996 (the ‘Depositories Act’) and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in the section titled ‘Description of Equity Shares and Terms of Articles of Association’, ‘Statement of Possible Special Tax Benefits’, ‘Industry Overview’, ‘Key Industry Regulations and Policies’, ‘Restated Financial Statements’, ‘Outstanding Litigation and Material Developments’, ‘Basis of the Issue Price’ and ‘Government and Other Approvals’, beginning on pages 301, 88, 90, 145, 182, 222, 86 and 225 respectively, in this Draft Prospectus, will have the meaning ascribed to such terms in these respective section.

### GENERAL TERMS

| Term                                                           | Description                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ‘VBL’, ‘the Company’, ‘our Company’, ‘Vardaan Biotech Limited’ | Vardaan Biotech Limited (Formerly known as ‘Vardaan Biotech Private Limited’), a company incorporated in India under the provisions of the Companies Act, 1956, having its registered office situated at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India;                                                                                                           |
| Promoter (s)                                                   | The promoters of our Company, namely being, Lokendra Rajput, Rashmi Rajput, and Pushpa Rajput. For further details, please refer to section titled ‘Our Promoters and Promoter Group’ beginning on page 173 of this Draft Prospectus;                                                                                                                                                           |
| Promoter Directors                                             | Lokendra Rajput, Rashmi Rajput, and Pushpa Rajput are the promoters and also hold directorship in the capacity of being Managing Director, Executive Director and Non-Executive Director, respectively of our Company. For further details, please refer to section titled ‘Our Management’ and ‘Our Promoters and Promoter Group’ beginning on page 159 and page 173 of this Draft Prospectus; |
| ‘we’, ‘us’, ‘our’                                              | Unless the context otherwise indicates or implies, refers to our Company;                                                                                                                                                                                                                                                                                                                       |
| ‘you’, ‘your’, ‘yours’                                         | Prospective investors in this Issue;                                                                                                                                                                                                                                                                                                                                                            |

### COMPANY RELATED TERMS

| Term                                         | Description                                                                                                                                                                                                                                                              |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ‘AoA’, ‘Articles of Association’, ‘Articles’ | The articles of association of our Company, as amended;                                                                                                                                                                                                                  |
| ‘Audit Committee’                            | The Committee of the Board of Directors constituted on February 08, 2021, as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013, as described under section titled ‘Our Management’ beginning on page 159 of this Draft Prospectus; |
| ‘Auditors’, ‘Statutory Auditors’             | The statutory auditors of our Company, being S.K. Khandelwal & Associates, Chartered Accountants, bearing Firm Registration No. ‘002305C’;                                                                                                                               |
| ‘Bankers to our Company’                     | Axis Bank, Bank of Baroda, and ICICI Bank are bankers to our Company, as described under section titled ‘General Information’ beginning on page 58 of this Draft Prospectus;                                                                                             |
| ‘Board’, ‘Board of Directors’                | The Board of Directors of our Company, including all duly constituted committees thereof. For further details of our Directors, please refer to the                                                                                                                      |

| Term                                              | Description                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | section titled <b>‘Our Management’</b> beginning on page 159 of this Draft Prospectus;                                                                                                                                                                                                                                                      |
| <b>‘CFO’, ‘Chief Financial Officer’</b>           | The Chief Financial Officer of our Company being Lakhan Jaiswal;                                                                                                                                                                                                                                                                            |
| <b>‘Chairman’, ‘Chairperson’</b>                  | The Chairman/ Chairperson of the Board of Directors of our Company being Lokendra Rajput;                                                                                                                                                                                                                                                   |
| <b>‘CIN’</b>                                      | Corporate Identification Number of our Company i.e. U15495MP2007PLC020132;                                                                                                                                                                                                                                                                  |
| <b>‘Company Secretary and Compliance Officer’</b> | The Company Secretary and Compliance Officer of our Company being Srishti Jain;                                                                                                                                                                                                                                                             |
| <b>‘Corporate Office’</b>                         | The corporate office of our Company is situated at Plot No. 312, KLR Venture, Medchal, Medchal–Malkajgiri District, Hyderabad – 501 401, Telangana, India;                                                                                                                                                                                  |
| <b>‘Directors’, ‘our Directors’</b>               | The director(s) on our Board of Directors, as described in the section titled <b>‘Our Management’</b> beginning on page 159 of this Draft Prospectus;                                                                                                                                                                                       |
| <b>‘Equity Shares’</b>                            | The equity shares of our Company having face value of ₹10.00/- (Rupees Ten only) each, unless otherwise specified in the context thereof;                                                                                                                                                                                                   |
| <b>‘Equity Shareholders’</b>                      | Persons/ Entities holding Equity Shares of our Company;                                                                                                                                                                                                                                                                                     |
| <b>‘Executive Directors’</b>                      | Executive Directors are the managing director and whole-time directors of our Company;                                                                                                                                                                                                                                                      |
| <b>‘Group Company’</b>                            | Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the <b>‘Restated Financial Statements’</b> as covered under the applicable accounting standards, and as disclosed in the section titled <b>‘Our Group Companies’</b> beginning on page 180 of this Draft Prospectus; |
| <b>‘Independent Director(s)’</b>                  | Non-Executive and Independent director(s) on our Board who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations. For details of the Independent Directors, refer the section <b>‘Our Management’</b> beginning on page 159 of this Draft Prospectus;       |
| <b>‘Indian GAAP’</b>                              | Generally Accepted Accounting Principles in India;                                                                                                                                                                                                                                                                                          |
| <b>‘ISIN’</b>                                     | International Securities Identification Number. In this case being INE0GC401011;                                                                                                                                                                                                                                                            |
| <b>‘KMP’, ‘Key Managerial Personnel’</b>          | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013, as described in the section <b>‘Our Management’</b> beginning on page 159 of this Draft Prospectus;                                                                                    |
| <b>‘Managing Director’</b>                        | The Managing Director of our Company being Lokendra Rajput;                                                                                                                                                                                                                                                                                 |
| <b>‘Materiality Policy’</b>                       | The policy adopted by our Board pursuant to its resolution dated February 08, 2021, for identification of material Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the requirements under the SEBI (ICDR) Regulations;                                                      |
| <b>‘MoA’, ‘Memorandum of Association’</b>         | The memorandum of association of our Company, as amended;                                                                                                                                                                                                                                                                                   |
| <b>‘Nomination and Remuneration Committee’</b>    | The committee of the Board of Directors constituted on February 08, 2021, as our Company’s Nomination and Remuneration Committee, as described in the section <b>‘Our Management’</b> beginning on page 159 of this Draft Prospectus;                                                                                                       |
| <b>‘Non-Executive Director’</b>                   | A Director not being a Whole-time Director of our Company;                                                                                                                                                                                                                                                                                  |
| <b>‘Peer Review Auditor’</b>                      | Independent Auditor having a valid Peer Review certificate in our case being S.K. Khandelwal & Associates, Chartered Accountants;                                                                                                                                                                                                           |
| <b>‘Promoter Group’</b>                           | The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, as described in the section <b>‘Our Promoters and Promoter Group’</b> beginning on page 173 of this Draft Prospectus;                                                                               |
| <b>‘Registered Office’</b>                        | The registered of our Company is situated at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India;                                                                                                                                                                                                                   |

| Term                                           | Description                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>‘Restated Financial Statements’</b>         | The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the six-months period ending on September 30, 2020 and for the Financial Years 2019-2020, 2018-2019, and 2017-2018 together with the annexure and notes thereto; |
| <b>‘RoC’, ‘Registrar of Companies’</b>         | Registrar of Companies, Gwalior;                                                                                                                                                                                                                                                                                                                                                    |
| <b>‘Stakeholders’ Relationship Committee’</b>  | The committee of the Board of Directors constituted on February 08, 2021, as our Company’s Stakeholders’ Relationship Committee, as described in the section <b>‘Our Management’</b> beginning on page 159 of this Draft Prospectus;                                                                                                                                                |
| <b>‘Subscriber to MOA’, ‘Initial Promoter’</b> | Initial Subscriber to MoA and AoA, being Lokendra Rajput and Rashmi Rajput;                                                                                                                                                                                                                                                                                                         |
| <b>‘Whole-time Director’</b>                   | A whole-time director of our Company;                                                                                                                                                                                                                                                                                                                                               |

#### ISSUE RELATED TERMS

| Term                                                     | Description                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>‘Abridged Prospectus’</b>                             | Abridged Prospectus to be issued under Regulation 255 of SEBI (ICDR) Regulations and appended to the Application Form;                                                                                                                                                                            |
| <b>‘Acknowledgement Slip’</b>                            | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form;                                                                                                                                                                      |
| <b>‘Allot’ / ‘Allotment’ / ‘Allotted’</b>                | Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful Applicants, including transfer of the Equity Shares pursuant to the Issue to the successful Applicants;                                                                         |
| <b>‘Allotment Advice’</b>                                | Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange;                                                                                             |
| <b>‘Allottees’</b>                                       | The successful Applicant to whom the Equity Shares are being/ have been Allotted;                                                                                                                                                                                                                 |
| <b>‘Applicant’ / ‘Investor’</b>                          | Any prospective applicant who makes an application for Equity Shares in terms of this Draft Prospectus;                                                                                                                                                                                           |
| <b>‘Application Amount’</b>                              | The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of this Draft Prospectus;                                                                                                                                                                    |
| <b>‘Application Form’</b>                                | The form in terms of which the Applicant shall apply for the Equity Shares of the Company;                                                                                                                                                                                                        |
| <b>‘Application Supported by Blocked Amount’, ‘ASBA’</b> | An Application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism;                       |
| <b>‘ASBA Account’</b>                                    | A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant; |
| <b>‘ASBA Applicant(s)’</b>                               | Any prospective Applicant who makes an application pursuant to the terms of the Prospectus and the Application Form;                                                                                                                                                                              |
| <b>‘ASBA Application’, ‘Application’</b>                 | An Application Form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus;                                                                                                                                |
| <b>‘Banker(s) to the Company’</b>                        | Such banks which are disclosed as Bankers to our Company as described under section titled <b>‘General Information’</b> beginning on page 58 of this Draft Prospectus;                                                                                                                            |
| <b>‘Banker(s) to the Issue’</b>                          | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●];                                                                                                                                         |
| <b>‘Banker to the Issue Agreement’</b>                   | Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue                                                                                                                                                                                     |

| <b>Term</b>                                             | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>‘Basis of Allotment’</b>                             | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described under the section titled <b>‘Issue Procedure’</b> beginning on page 252 of this Draft Prospectus;                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>‘Bidding Centres’</b>                                | Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs;                                                                                                                                                                                                                                                                                                                                             |
| <b>‘Broker Centres’</b>                                 | Broker centres notified by the stock exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)                                                                                                                                                                                                                                                                                                        |
| <b>‘Business Day’</b>                                   | Monday to Friday (except public holidays)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>‘CAN’, ‘Confirmation of Allocation Note’</b>         | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>‘Client-ID’</b>                                      | Client identification number maintained with one of the Depositories in relation to Demat account;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>‘Collecting Depository Participant(s)’, ‘CDP(s)’</b> | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of SEBI circular bearing reference number GR/CFD/POLICYCELL/11/2015 dated November 10, 2015;                                                                                                                                                                                                                                                                                                                                                           |
| <b>‘Controlling Branches’</b>                           | Such branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time;                                                                                                                                                                                                                                                                                                                           |
| <b>‘Demographic Details’</b>                            | Details of the Applicants including the Applicants’ address, name of the Applicants’ father/husband, investor status, occupation and bank account details and UPI-ID wherever applicable;                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>‘Depositories’</b>                                   | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>‘Depositories Act’</b>                               | The Depositories Act, 1996, as amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>‘Designated Date’</b>                                | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue;                                                                                                                  |
| <b>‘Designated Intermediaries’, ‘Collecting Agent’</b>  | In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs; |
| <b>‘Designated CDP Locations’</b>                       | Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the stock exchange;                                                                                                                                                                                                                                                                                             |
| <b>‘Designated Market Maker’</b>                        | [•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations;                                                                                                                                                                                                                                                                                                                                                      |

| Term                                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>‘Designated Locations’</b> <b>RTA</b>                    | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange;                                                                                                                                                                                                                                                     |
| <b>‘Designated Branches’</b> <b>SCSB</b>                    | Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ; Intermediaries or at such other website as may be prescribed by SEBI from time to time; |
| <b>‘Designated Exchange’</b> <b>Stock</b>                   | The SME Platform of National Stock Exchange Limited i.e. NSE EMERGE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time;                                                                                                                                                                                                                                                                                                                                            |
| <b>‘DP’</b>                                                 | Depository Participant;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>‘DP-ID’</b>                                              | Depository Participant’s Identity Number;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>‘Draft Prospectus’</b>                                   | This Draft Prospectus dated March 12, 2021 issued in accordance with the SEBI (ICDR) Regulations;                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>‘Eligible NRI(s)’</b>                                    | An Non-Resident Indian from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares;                                                                                                                                                                                                                                                               |
| <b>‘Electronic Transfer of Funds’</b>                       | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable;                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>‘Escrow Account’</b>                                     | Accounts opened with the Banker to the Issue;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>‘Escrow Agreement’ , ‘Banker to the Issue Agreement’</b> | Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.                                                                                                                                                                                                                                                                                             |
| <b>‘First Applicant’ , ‘Sole Applicant’</b>                 | The Applicant whose name appears first in the Application Form or the Revision Form and in case of joint Applicants, whose name appears as the first holder of the beneficiary account held in joint names                                                                                                                                                                                                                                                                                                                         |
| <b>‘Foreign Portfolio Investor’ , ‘FPIs’</b>                | Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019;                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>‘Fugitive Economic Offender’</b>                         | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>‘General Information Document’ , ‘GID’</b>               | The General Information Document for investing in public issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and the circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI. The General Information Document is available on the websites of the stock exchanges, the Lead Manager;                                                                                                                                      |
| <b>‘GIR Number’</b>                                         | General Index Registry Number;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>‘Issue Proceeds’</b>                                     | The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds, please refer to the section titled <b>‘Objects of the Issue’</b> beginning on page 81 of this Draft Prospectus;                                                                                                                                                                                                                                                                                                   |
| <b>‘Issue’ , ‘Issue Size’ , ‘Public Issue’ , ‘IPO’</b>      | This Initial Public Issue of upto 10,88,000 (Ten Lakhs Eighty-Eight Thousand) Equity Shares for cash at an Issue Price of ₹[●]/- per Equity Share aggregating to ₹[●] Lakhs by our Company;                                                                                                                                                                                                                                                                                                                                        |
| <b>‘Issue Closing Date’</b>                                 | The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●];                                                                                                                                                         |
| <b>‘Issue Opening Date’</b>                                 | The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi                                                                                                                                                                                                                                                                                               |



| Term                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●];                                                                                                                                                                                                                                                                                                                |
| ‘Issue Period’                     | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications;                                                                                                                                                                                                                                                                                           |
| ‘Issue Price’                      | The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹[●]/- per Equity Share;                                                                                                                                                                                                                                                                                        |
| ‘Issue Proceeds’                   | Proceeds to be raised by our Company through this Issue, for further details please refer section titled ‘ <i>Objects of the Issue</i> ’ beginning on page 81 of this Draft Prospectus;                                                                                                                                                                                                                                                                      |
| ‘Lead Manager’                     | Lead Manager to the Issue, is CapitalSquare Advisors Private Limited;                                                                                                                                                                                                                                                                                                                                                                                        |
| ‘Listing Agreement’                | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE Emerge;                                                                                                                                                                                                                                                                                                                             |
| ‘Lot Size’                         | The Market lot and Trading lot for the Equity Shares is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful Applicants;                                                                                                                                                                                                                                                                            |
| ‘Market Maker Reservation Portion’ | The reserved portion of upto [●] Equity Shares at an Issue Price of ₹[●]/- aggregating to ₹[●] Lakhs for Designated Market Maker in the Public Issue of our Company;                                                                                                                                                                                                                                                                                         |
| ‘Market Making Agreement’          | The Agreement among the Market Maker, the Lead Manager and our Company dated [●];                                                                                                                                                                                                                                                                                                                                                                            |
| ‘Minimum Promoters’ Contribution’  | Aggregate of 20.00% (Twenty percent) of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20.00% (Twenty percent) and locked-in for a period of 3 (Three) years from the date of Allotment;                                                                                                                                                                        |
| ‘Mobile App(s)’                    | The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism;                                                                    |
| ‘Mutual Fund’                      | A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended;                                                                                                                                                                                                                                                                                                                                                              |
| ‘Net Issue’                        | The Net Issue of upto [●] Equity Shares at ₹[●]/- per Equity Share aggregating to ₹[●]/- Lakhs by our Company.                                                                                                                                                                                                                                                                                                                                               |
| ‘Non-Institutional Applicant’      | All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹2,00,000.00/- (Rupees Two Lakhs Only) (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs)                                                                                                                                                   |
| ‘Non-Resident’                     | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.                                                                                                                                                                                                                                                                                                  |
| ‘NSE Emerge’                       | The SME Platform of National Stock Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time;                                                                                                                                                                                                                                                                                              |
| ‘OCB’, ‘Overseas Corporate Body’   | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% (Sixty Percent) by NRIs including overseas trusts, in which not less than 60.00% (Sixty Percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA; |
| ‘Other Investor’                   | Investors other than Retail Individual Investors. 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;                                                                                                                                                                                                  |
| ‘Person(s)’                        | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization                                                                                                                                                                                                                      |

| Term                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires;                                                                                                                                                                                                                                                                                                                                                                    |
| ‘Prospectus’                                  | The prospectus to be filed with the RoC containing, <i>inter alia</i> , the Issue Opening Date and Issue Closing Date and other information;                                                                                                                                                                                                                                                                                                                                             |
| ‘Public Issue Account’                        | Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date;                                                                                                                                                                                                                                                                                                                      |
| ‘Qualified Foreign Investors’, ‘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;                                                                                                                                                                                                                                                                                                                             |
| ‘Qualified Institutional Buyers’, ‘QIBs’      | Qualified Institutional Buyers as defined under clause (ss) of Sub-Regulation (1) of Regulation 2 of the SEBI (ICDR) Regulations;                                                                                                                                                                                                                                                                                                                                                        |
| ‘Refund Bank(s)’                              | The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●];                                                                                                                                                                                                                                                                                                                                                                                       |
| ‘Registered Broker’                           | Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="https://www.bseindia.com/members/MembershipDirectory.aspx">https://www.bseindia.com/members/MembershipDirectory.aspx</a> ;                  |
| ‘Registrar Agreement’                         | The agreement dated February 15, 2021 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue;                                                                                                                                                                                                                                                                                        |
| ‘Registrar and Share Transfer Agents’, ‘RTAs’ | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of SEBI circular bearing reference number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015;                                                                                                                                                                                                                                                     |
| ‘Registrar to the Issue’                      | Registrar to the Issue being Purva Sharegistry (India) Private Limited;                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ‘Retail Individual Investors’                 | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹2,00,000.00/- (Rupees Two Lakhs only);                                                                                                                                                                                                                                                                                                        |
| ‘Revision Form’                               | Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date; |
| ‘SCRA’                                        | The Securities Contracts (Regulation) Act, 1956 as amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                            |
| ‘SEBI’                                        | The Securities and Exchange Board of India;                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ‘SEBI Act’                                    | the Securities and Exchange Board of India Act, 1992, as amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                      |
| ‘SEBI Regulations’ (SAST)                     | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, including instructions and clarifications issued by SEBI from time to time;                                                                                                                                                                                                                                                                                      |
| ‘SEBI Regulations’ (ICDR)                     | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time;                                                                                                                                                                                                                                                                                      |
| ‘SEBI Insider Trading Regulations’            | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time;                                                                                                                                                                                                                                                                                                   |
| ‘SEBI Regulations’ (LODR)                     | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time;                                                                                                                                                                                                                                                                                   |
| ‘SEBI Regulations’ (PFUTP)                    | SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003, as amended, including instructions and clarifications issued by SEBI from time to time;                                                                                                                                                                                                                                                                                    |

| Term                                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>‘Self-Certified Syndicate Bank(s)’, ‘SCSBs’</b> | The banks registered with SEBI, offering services, in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time; |
| <b>‘Sponsor Bank’</b>                              | A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the Lead Manager to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>‘TRS’, ‘Transaction Registration Slip’</b>      | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>‘Unified Payments Interface’, ‘UPI’</b>         | The instant payment system developed by the National Payments Corporation of India. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person’s bank accounts using a payment address which uniquely identifies a person’s bank Account;                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>‘UPI-ID’</b>                                    | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>‘UPI Mandate Request’</b>                       | A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment;                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>‘UPI mechanism’</b>                             | The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular bearing reference number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard;                                                                                                  |
| <b>‘UPI-PIN’</b>                                   | Password to authenticate UPI transaction;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>‘Underwriters’</b>                              | Underwriters to the Issue, is CapitalSquare Advisors Private Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>‘Underwriting Agreement’</b>                    | The Agreement among the Underwriters and our Company [●], 2021;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>‘U.S. Securities Act’</b>                       | U.S. Securities Act of 1933, as amended;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>‘Working Day’</b>                               | In accordance with clause (mmm) of Sub-Regulation (1) of Regulation 2 of SEBI (ICDR) Regulation, working day means all days on which commercial banks in the city as specified in the Draft Prospectus are open for business: However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Draft Prospectus are open for business;<br>In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in                                                    |

| Term | Description                                                                                                  |
|------|--------------------------------------------------------------------------------------------------------------|
|      | accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016; |

#### TECHNICAL AND INDUSTRY RELATED TERMS

| Term                    | Description                                                                                                  |
|-------------------------|--------------------------------------------------------------------------------------------------------------|
| ‘AICRP’                 | All India Coordinated Research;                                                                              |
| ‘BPD’                   | Business and Planning Development;                                                                           |
| ‘DAC’                   | Department of Agriculture and Cooperation;                                                                   |
| ‘DM’                    | Downy mildew;                                                                                                |
| ‘DPQS’                  | Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds; |
| ‘GOT’                   | Grow-out test centres;                                                                                       |
| ‘GVA’                   | Gross Value Added;                                                                                           |
| ‘ICAR’                  | Indian Council of Agricultural Research;                                                                     |
| ‘ICRISAT’               | International Crop Research Institute for the semi-Arid Tropics;                                             |
| ‘IFFCO’                 | Indian Farmers’ Fertiliser Cooperative Limited;                                                              |
| ‘IMF’                   | International Monetary Fund;                                                                                 |
| ‘IIPR’                  | Indian Institute of Pulses Research;                                                                         |
| ‘JMKVV’                 | Jawaharlal Nehru Krishi Vishwavidhyalay;                                                                     |
| ‘KVKs’                  | Krishi Vigyan Kendras;                                                                                       |
| ‘NSC’                   | National Seeds Corporation;                                                                                  |
| ‘SAU’                   | State Agricultural Universities;                                                                             |
| ‘Seeds Act’             | The Seeds Act, 1966;                                                                                         |
| ‘Seeds Bill’            | The Seeds Bill, 2019;                                                                                        |
| ‘Seeds (Control) Order’ | The Seeds (Control) Order, 1983;                                                                             |
| ‘Seeds Rules’           | The Seeds Rules, 1968;                                                                                       |
| ‘SFCI’                  | State Farms Corporation of India;                                                                            |
| ‘SSCs’                  | State Seeds Corporation;                                                                                     |
| ‘ZTM’                   | Zonal Technology Management;                                                                                 |

#### ABBREVIATIONS

| Term                                                               | Description                                                                                                                                                            |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ‘A/c’                                                              | Account;                                                                                                                                                               |
| ‘ACS’                                                              | Associate Company Secretary;                                                                                                                                           |
| ‘AGM’                                                              | Annual General Meeting;                                                                                                                                                |
| ‘AIF’                                                              | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012; |
| ‘AS’,<br>‘Accounting Standards’                                    | Accounting Standards as issued by the Institute of Chartered Accountants of India;                                                                                     |
| ‘ASBA’                                                             | Applications Supported by Blocked Amount;                                                                                                                              |
| ‘AY’                                                               | Assessment Year;                                                                                                                                                       |
| ‘BSE’                                                              | BSE Limited;                                                                                                                                                           |
| ‘CAGR’                                                             | Compound Annual Growth Rate;                                                                                                                                           |
| ‘CAPEX’                                                            | Capital Expenditure;                                                                                                                                                   |
| ‘Category I Foreign Portfolio Investor(s)’,<br>‘Category I FPIs’   | FPIs who are registered as ‘Category I Foreign Portfolio Investors’ under the SEBI FPI Regulations;                                                                    |
| ‘Category II Foreign Portfolio Investor(s)’,<br>‘Category II FPIs’ | FPIs who are registered as ‘Category II Foreign Portfolio Investors’ under the SEBI FPI Regulations;                                                                   |
| ‘CDSL’                                                             | Central Depository Services (India) Limited;                                                                                                                           |
| ‘CEO’                                                              | Chief Executive Officer;                                                                                                                                               |
| ‘CFO’                                                              | Chief Financial Officer;                                                                                                                                               |
| ‘CII’                                                              | Confederation of Indian Industry;                                                                                                                                      |

| Term                             | Description                                                                                                                                                                                                                                                                     |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ‘CIN’                            | Company Identification Number;                                                                                                                                                                                                                                                  |
| ‘CIT’                            | Commissioner of Income Tax;                                                                                                                                                                                                                                                     |
| ‘Client-ID’                      | Client identification number of the Applicant’s beneficiary account;                                                                                                                                                                                                            |
| ‘Companies Act, 2013’            | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification; |
| ‘Companies Act, 1956’            | The Companies Act, 1956, as amended from time to time;                                                                                                                                                                                                                          |
| ‘Companies Act, 2013’            | The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date;                                                                                                                                                                    |
| ‘Contract Act’                   | The Indian Contract Act, 1872 as amended from time to time;                                                                                                                                                                                                                     |
| ‘COVID – 19’                     | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020;                                                                                                                           |
| ‘CPI’                            | Consumer Price Index;                                                                                                                                                                                                                                                           |
| ‘CSR’                            | Corporate Social Responsibility;                                                                                                                                                                                                                                                |
| ‘CST’                            | Central Sales Tax;                                                                                                                                                                                                                                                              |
| ‘CY’                             | Calendar Year;                                                                                                                                                                                                                                                                  |
| ‘DIN’                            | Director Identification Number;                                                                                                                                                                                                                                                 |
| ‘DP’                             | Depository Participant, as defined under the Depositories Act 1996;                                                                                                                                                                                                             |
| ‘DP-ID’                          | Depository Participant’s identification;                                                                                                                                                                                                                                        |
| ‘EBITDA’                         | Earnings before Interest, Taxes, Depreciation and Amortization;                                                                                                                                                                                                                 |
| ‘ECS’                            | Electronic Clearing System;                                                                                                                                                                                                                                                     |
| ‘EGM’                            | Extraordinary General Meeting;                                                                                                                                                                                                                                                  |
| ‘EMDEs’                          | Emerging Markets and Developing Economies;                                                                                                                                                                                                                                      |
| ‘EOU’                            | Export Oriented Unit;                                                                                                                                                                                                                                                           |
| ‘EPS’                            | Earnings Per Share;                                                                                                                                                                                                                                                             |
| ‘FCNR Account’                   | Foreign Currency Non Resident Account;                                                                                                                                                                                                                                          |
| ‘FDI’                            | Foreign Direct Investment;                                                                                                                                                                                                                                                      |
| ‘FEMA’                           | Foreign Exchange Management Act, 1999, read with rules and regulations there under;                                                                                                                                                                                             |
| ‘FEMA Regulations’               | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017;                                                                                                                                                               |
| ‘FIIs’                           | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India;                                                        |
| ‘FPIs’                           | Foreign Portfolio Investors as defined under the SEBI FPI Regulations;                                                                                                                                                                                                          |
| ‘FIPB’                           | Foreign Investment Promotion Board;                                                                                                                                                                                                                                             |
| ‘FVCI’                           | Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations;                                                                                                                                                                                    |
| ‘FY’, ‘Fiscal’, ‘Financial Year’ | Period of twelve months ended March 31 of that particular year, unless otherwise stated;                                                                                                                                                                                        |
| ‘GDP’                            | Gross Domestic Product;                                                                                                                                                                                                                                                         |
| ‘GoI’, ‘Government’              | Government of India;                                                                                                                                                                                                                                                            |
| ‘GST’                            | Goods & Services Tax;                                                                                                                                                                                                                                                           |
| ‘GVA’                            | Gross Value Added;                                                                                                                                                                                                                                                              |
| ‘HNIs’                           | High Net worth Individuals;                                                                                                                                                                                                                                                     |
| ‘HUF’                            | Hindu Undivided Family;                                                                                                                                                                                                                                                         |
| ‘IAS Rules’                      | Indian Accounting Standards, Rules 2015;                                                                                                                                                                                                                                        |
| ‘ICAI’                           | The Institute of Chartered Accountants of India;                                                                                                                                                                                                                                |
| ‘ICSI’                           | Institute of Company Secretaries of India;                                                                                                                                                                                                                                      |
| ‘IFRS’                           | International Financial Reporting Standards;                                                                                                                                                                                                                                    |
| ‘IMF’                            | International Monetary Fund;                                                                                                                                                                                                                                                    |
| ‘IMPS’                           | Immediate Payment Service;                                                                                                                                                                                                                                                      |
| ‘Indian GAAP’                    | Generally Accepted Accounting Principles in India;                                                                                                                                                                                                                              |
| ‘I.T. Act’                       | Income Tax Act, 1961, as amended from time to time;                                                                                                                                                                                                                             |
| ‘IPO’                            | Initial Public Offering;                                                                                                                                                                                                                                                        |
| ‘IPR’                            | Intellectual Property Rights;                                                                                                                                                                                                                                                   |
| ‘ISIN’                           | International Securities Identification Number;                                                                                                                                                                                                                                 |

| Term                    | Description                                                                                                                                                                                               |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ‘ISO’                   | International Organization for Standardization;                                                                                                                                                           |
| ‘KM’, ‘Km’, ‘km’        | Kilo Meter;                                                                                                                                                                                               |
| ‘LMT’                   | Lakh Metric Tonnes                                                                                                                                                                                        |
| ‘Merchant Banker’       | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;                                                                                         |
| ‘MoF’                   | Ministry of Finance, Government of India;                                                                                                                                                                 |
| ‘MICR’                  | Magnetic Ink Character Recognition;                                                                                                                                                                       |
| ‘MOF’                   | Ministry of Finance, Government of India;                                                                                                                                                                 |
| ‘MOU’                   | Memorandum of Understanding;                                                                                                                                                                              |
| ‘NA’, ‘N. A.’           | Not Applicable;                                                                                                                                                                                           |
| ‘NACH’                  | National Automated Clearing House;                                                                                                                                                                        |
| ‘NAV’                   | Net Asset Value;                                                                                                                                                                                          |
| ‘NECS’                  | National Electronic Clearing Service;                                                                                                                                                                     |
| ‘NEFT’                  | National Electronic Fund Transfer;                                                                                                                                                                        |
| ‘No.’                   | Number;                                                                                                                                                                                                   |
| ‘NOC’                   | No Objection Certificate;                                                                                                                                                                                 |
| ‘NPCI’                  | National Payments Corporation of India;                                                                                                                                                                   |
| ‘NRE Account’           | Non Resident External Account;                                                                                                                                                                            |
| ‘NRIs’                  | A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in 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;                                                                                                                                                                 |
| ‘p.a.’                  | per annum;                                                                                                                                                                                                |
| ‘P/E Ratio’             | Price/Earnings Ratio;                                                                                                                                                                                     |
| ‘PAC’                   | Persons Acting in Concert;                                                                                                                                                                                |
| ‘PAN’                   | Permanent Account Number;                                                                                                                                                                                 |
| ‘PAT’                   | Profit After Tax;                                                                                                                                                                                         |
| ‘PBT’                   | Profit Before Tax;                                                                                                                                                                                        |
| ‘PLR’                   | Prime Lending Rate;                                                                                                                                                                                       |
| ‘POA’                   | Power of Attorney;                                                                                                                                                                                        |
| ‘RBI’                   | Reserve Bank of India;                                                                                                                                                                                    |
| ‘R&D’                   | Research and Development;                                                                                                                                                                                 |
| ‘Regulation S’          | Regulation S under the U.S. Securities Act;                                                                                                                                                               |
| ‘RoC’                   | Registrar of Companies;                                                                                                                                                                                   |
| ‘RoE’                   | Return on Equity;                                                                                                                                                                                         |
| ‘RoNW’                  | Return on Net Worth;                                                                                                                                                                                      |
| ‘Rupees’, ‘Rs.’, ‘₹’    | Rupees, the official currency of the Republic of India;                                                                                                                                                   |
| ‘RTGS’                  | Real Time Gross Settlement;                                                                                                                                                                               |
| ‘SCRA’                  | Securities Contract (Regulation) Act, 1956, as amended from time to time;                                                                                                                                 |
| ‘SCRR’                  | Securities Contracts (Regulation) Rules, 1957, as amended from time to time;                                                                                                                              |
| ‘SEBI’                  | Securities and Exchange Board of India;                                                                                                                                                                   |
| ‘SEBI Act’              | Securities and Exchange Board of India Act, 1992;                                                                                                                                                         |
| ‘SEBI AIF Regulations’  | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012;                                                                                                                 |
| ‘SEBI FII Regulations’  | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;                                                                                                               |
| ‘SEBI FPI Regulations’  | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;                                                                                                                   |
| ‘SEBI FVCI Regulations’ | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000;                                                                                                              |
| ‘SEBI VCF Regulations’  | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations;                                                                                 |
| ‘Sec.’                  | Section;                                                                                                                                                                                                  |
| ‘Securities Act’        | U.S. Securities Act of 1933, as amended;                                                                                                                                                                  |
| ‘SICA’                  | Sick Industrial Companies (Special Provisions) Act, 1985;                                                                                                                                                 |

| <b>Term</b>                          | <b>Description</b>                                                                                                                                                                         |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>‘SME’</b>                         | Small and Medium Enterprises;                                                                                                                                                              |
| <b>‘STT’</b>                         | Securities Transaction Tax;                                                                                                                                                                |
| <b>‘TAN’</b>                         | Tax Deduction and Collection Account Number;                                                                                                                                               |
| <b>‘TIN’</b>                         | Taxpayers Identification Number;                                                                                                                                                           |
| <b>‘TDS’</b>                         | Tax Deducted at Source;                                                                                                                                                                    |
| <b>‘UPI’</b>                         | Unified Payments Interface;                                                                                                                                                                |
| <b>‘US’, ‘United States’</b>         | United States of America;                                                                                                                                                                  |
| <b>‘USD’, ‘US\$’, ‘\$’</b>           | United States Dollar, the official currency of the United States of America;                                                                                                               |
| <b>‘VAT,’</b>                        | Value Added Tax;                                                                                                                                                                           |
| <b>‘VCF’, ‘Venture Capital Fund’</b> | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India; |
| <b>‘Wilful Defaulter(s)’</b>         | Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations;                                                                                                     |

## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **CERTAIN CONVENTIONS**

All references to 'India' contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in 'Lakhs' units. One Lakh represents 1,00,000.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the Financial Statements, for the half-year ended September 30, 2020 and for the Financial Years 2019-2020, 2018-2019, and 2017-2018 of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations and Guidance Note on '*Reports in Company Prospectus (Revised 2019)*' issued by ICAI, as stated in the report of our Statutory Auditor, as set out in the section titled '**Restated Financial Statements**' beginning on page 182 of this Draft Prospectus.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 (twelve) month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a 'year' in this Draft Prospectus are to a calendar year.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in '**Risk Factors**', '**Our Business**' and '**Management's Discussion and Analysis of Financial Position and Results of Operations**' beginning on page 23, 122 and 205 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

### **CURRENCY, UNITS OF PRESENTATION AND EXCHANGE RATES**

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

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

### **DEFINITIONS**

For definitions, please refer the section titled '**Definitions and Abbreviations**' beginning on page 2 of this Draft Prospectus. In the section titled '**Description of Equity Shares and Terms of Articles of Association**' beginning on page 301 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.



## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘may’, ‘will’, ‘will continue’, ‘will pursue’, ‘contemplate’, ‘future’, ‘goal’, ‘propose’, ‘will likely result’, ‘will seek to’ or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to seed industry, agricultural products in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in agro products;
- Increase in price and material component and fluctuations in our operating cost;
- Disruption in our manufacturing facilities;
- Shortage of, and price increases in, materials and skilled and unskilled employee, and inflation in key supply market;
- Failure to comply with environmental, labour, health and safety laws and regulations may affect our business;
- Factors affecting seed industry;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local,

regional, national and international economies;

- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- The availability of finance on favorable terms for our business and for our customers; and
- and
- Changes in consumer demand.

For further discussions of factors that could cause our actual results to differ, please refer the sections titled '**Risk Factors**', '**Our Business**' and '**Management's Discussion and Analysis of Financial Position and Results of Operations**' beginning on pages 23, 122 and 205, respectively of this Draft Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus.

Our Company, our Directors, our officers, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the stock exchange.

## SECTION II – SUMMARY OF THE DRAFT PROSPECTUS

---

*The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled ‘Risk Factors’, ‘Industry Overview’, ‘Outstanding Litigation and Material Developments’, ‘Our Promoters and Promoter Group’, ‘Restated Financial Statements’, ‘Objects of the Issue’, ‘Our Business’, ‘Issue Procedure’ and ‘Description of Equity Shares and Terms of Articles of Association’ beginning on pages 23, 90, 222, 173, 182, 81, 122, 252, and 301, respectively.*

### PRIMARY BUSINESS AND THE INDUSTRY

#### Summary of Business

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ridge-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products.

We are producing quality seed with the following objectives:

- Supply of quality seeds at an affordable price;
- Technical and economic strengthening of seed growers; and
- Making the required seeds of latest varieties available at the right place, at the right time and at the right price.

We are one of the seed production and processing company in Madhya Pradesh. We have also established marketing network with wholesalers and retailers spread over in Madhya Pradesh and other states such as Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chattisgarh, Telangana, and Maharashtra. Our customer reach has also expanded from Madhya Pradesh to Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chattisgarh, and Maharashtra. All the seed varieties produced and developed by our Company are marketed under the brand of ‘Vardaan Seeds’.

#### Overview of Industry

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 30 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world.

The agricultural inputs industry produces products that provide essential support to modern agriculture. Seeds are one of the most critical inputs in agricultural production. Improvements in quality and production of seeds along with an improved agronomy have brought about several modern agricultural productivity improvements, including increased food production to keep pace with increased domestic as well as global demand from population and economic growth. The demand for seeds and other agricultural inputs that augment production of crops is expected to continue.

#### NAME OF THE PROMOTERS

Our Company is promoted by Lokendra Rajput, Rashmi Rajput, and Pushpa Rajput.

#### ISSUE SIZE

## Fresh Issue

Public Issue of up to 10,88,000 (Ten Lakhs Eighty-Eight Thousand) Equity Shares to be issued by our Company for cash at an Issue Price of ₹[●]/- per Equity Share, aggregating to ₹[●] Lakhs, of which upto [●] Equity Shares will be reserved for subscription by Market Maker to the Issue. The Issue less Market Maker Reservation Portion i.e. Net Issue of up to [●] Equity Shares. The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post-Issue paid-up Equity Share capital of our Company.

## Offer for Sale

There is no offer for sale, as our Company is making only a Fresh Issue.

## OBJECTS OF THE ISSUE\*

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

| Sr. No. | Particulars                      | Estimated Amount (In ₹) | % of total Issue Size | % of Net Issue |
|---------|----------------------------------|-------------------------|-----------------------|----------------|
| 1.      | To meet working capital expenses | [●]                     | [●]                   | [●]            |
| 2.      | General Corporate Purposes       | [●]                     | [●]                   | [●]            |
| 3.      | To meet Issue expenses           | [●]                     | [●]                   | [●]            |

*\*To be finalized upon determination of the Issue Price*

## PRE-ISSUE SHAREHOLDING OF THE PROMOTERS AND THE PROMOTER GROUP

The aggregate equity shareholding and the percentage of pre-Issue Equity Share capital of our Promoters and the Promoter Group as on the date of this Draft Prospectus is set forth below:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Issue Equity Share Capital |
|---------|-------------------------|----------------------|--------------------------------------------------|
| 1.      | Lokendra Rajput         | 11,34,414            | 37.81%                                           |
| 2.      | Rashmi Rajput           | 12,29,154            | 40.97%                                           |
| 3.      | Pushpa Rajput           | 6,36,392             | 21.21%                                           |
|         | <b>Total</b>            | <b>29,99,960</b>     | <b>99.99%</b>                                    |

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

(₹in Lakhs)

| Particulars                                        | For the period ended September 30, 2020 | For the Financial Year |           |           |
|----------------------------------------------------|-----------------------------------------|------------------------|-----------|-----------|
|                                                    |                                         | 2019-2020              | 2018-2019 | 2017-2018 |
| Issued, subscribed and fully paid-up share capital | 300.00                                  | 133.00                 | 133.00    | 61.00     |
| Net Worth                                          | 463.65                                  | 220.85                 | 181.48    | 89.83     |
| Revenue                                            | 5,329.23                                | 5,061.29               | 2,000.28  | 2,313.50  |
| Profit After Tax                                   | 75.80                                   | 39.37                  | 19.65     | 16.10     |
| Earnings Per Share (Basic and Diluted)             | 3.03                                    | 2.96                   | 1.53      | 2.64      |
| Net Asset Value Per Equity Share                   | 15.45                                   | 16.61                  | 13.64     | 14.73     |
| Total Borrowings                                   | 1,203.34                                | 890.47                 | 105.83    | 136.88    |

## QUALIFICATIONS OF THE AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

Our Statutory Auditor has not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

## SUMMARY OF OUTSTANDING LITIGATION

### Litigation involving our Company

Except, being in receipt of an Order dated June 14, 2019 from Income Tax Department for the Assessment Year 2018-19, stating that the Company had not taken into account disallowance of expenditure of ₹2,37,450.00/- as

indicated in the Tax Audit report in computing the total income of the Company, there are no outstanding litigations filed by or against our Company.

### **Litigation involving our Promoter/ Directors**

As on the date of this Draft Prospectus, there are no outstanding litigations against **our Promoters/ Directors**

For further details, in relation to the legal proceedings involving our Company, our Directors, and our Promoters, please refer to the section titled ***‘Outstanding Litigation and Material Development’*** and ***‘Risk Factors’*** beginning on page 222 and 23 respectively of this Draft Prospectus.

### **RISK FACTORS**

An investment in the Equity Shares involves a high degree of risk. Potential Investors should carefully consider all the information in this Draft Prospectus and are advised to read the section titled ***‘Risk Factors’*** beginning on page 23 of this Draft Prospectus, including the risks and uncertainties, before making/ taking an investment decision in our Equity Shares.

In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. The risks described in the said sections are relevant to the industry our Company is engaged in, our Company and our Equity Shares. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries.

For further details, please refer the section titled ***‘Risk Factors’*** beginning on page 23 of this Draft Prospectus.

### **SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

There is no contingent liabilities for the half-year ended September 30, 2020, and for the Financial Years 2019-2020, 2018-2019, and 2017-2018. For further details, please refer to the section titled ***‘Restated Financial Statements’*** beginning on page 182 of this Draft Prospectus.

### **SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by our Company for the half-year ended September 30, 2020, and for the Financial Years 2019-2020, 2018-2019, and 2017-2018:

| Nature of Transaction    | Related Party with whom transactions have taken place | For the period ended September 30, 2020 | For the Financial Year |               |               |
|--------------------------|-------------------------------------------------------|-----------------------------------------|------------------------|---------------|---------------|
|                          |                                                       |                                         | 2019-2020              | 2018-2019     | 2017-2018     |
| Salary expense           | Lokendra Rajput (Director)                            | ₹10,20,000.00                           | ₹18,00,000.00          | --            | --            |
| Salary expense           | Pushpa Rajput (Director)                              | ₹1,20,000.00                            | ₹2,40,000.00           | --            | --            |
| Salary expense           | Rashmi Rajput (Director)                              | ₹1,20,000.00                            | ₹2,40,000.00           | --            | --            |
| Rent expense             | Pushpa Rajput (Director)                              | ₹6,00,000.00                            | ₹12,00,000.00          | ₹15,05,000.00 | ₹6,37,500.00  |
| Rent expense             | Rashmi Rajput (Director)                              | ₹9,90,000.00                            | ₹19,80,000.00          | ₹14,85,000.00 | ₹17,50,000.00 |
| Purchases                | Rashmi Rajput (Director)                              | ₹9,63,044.00                            | ₹59,94,682.00          | ₹9,00,000.00  | --            |
| Purchases                | Pushpa Rajput (Director)                              | ₹43,13,757.82                           | ₹40,44,561.00          | ₹4,00,000.00  | --            |
| Net Unsecured Loan taken | Lokendra Rajput (Director)                            | ₹73,00,000.00                           | ₹40,00,000.00          | --            | --            |

| Nature of Transaction                       | Related Party with whom transactions have taken place | For the period ended September 30, 2020 | For the Financial Year |              |           |
|---------------------------------------------|-------------------------------------------------------|-----------------------------------------|------------------------|--------------|-----------|
|                                             |                                                       |                                         | 2019-2020              | 2018-2019    | 2017-2018 |
| Net Unsecured Loan taken                    | Pushpa Rajput (Director)                              | --                                      | ₹19,00,000.00          | --           | --        |
| Net Unsecured Loan taken                    | Rashmi Rajput (Director)                              | --                                      | ₹18,00,000.00          | --           | --        |
| Balances as at the year end Unsecured Loans | Lokendra Rajput (Director)                            | ₹1,13,00,000.00                         | ₹40,00,000.00          | --           | --        |
| Balances as at the year end Unsecured Loans | Rashmi Rajput (Director)                              | ₹18,00,000.00                           | ₹18,00,000.00          | --           | --        |
| Balances as at the year end Unsecured Loans | Pushpa Rajput (Director)                              | ₹19,00,000.00                           | ₹19,00,000.00          | --           | --        |
| Sundry Creditors                            | Lokendra Rajput (Director)                            | ₹63,062.00                              | ₹1,28,515.00           | --           | --        |
| Sundry Creditors                            | Rashmi Rajput (Director)                              | ₹41,800.00                              | ₹2,39,500.00           | ₹9,00,000.00 | --        |
| Sundry Creditors                            | Pushpa Rajput (Director)                              | --                                      | ₹1,62,000.00           | ₹4,00,000.00 | --        |

For further details of related party transactions, please refer to the section titled '*Restated Financial Statements*' beginning on page 182 of this Draft Prospectus.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of the Equity Shares of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.

## WEIGHTED AVERAGE PRICE AT WHICH THE SHARES WERE ACQUIRED BY THE PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The weighted average price at which Equity Shares were acquired by the Promoters in the one year preceding the date of this Draft Prospectus is:

| Name of the Promoter | No. of Equity Shares acquired | Weighted average price (Per Equity Share) |
|----------------------|-------------------------------|-------------------------------------------|
| Lokendra Rajput      | 6,29,414                      | ₹9.37                                     |
| Rashmi Rajput        | 6,84,154                      | ₹9.94                                     |
| Pushpa Rajput        | 3,56,392                      | ₹19.92                                    |

For further details, refer the section titled '*Capital Structure*' beginning on page 67 of this Draft Prospectus.

## AVERAGE COST OF ACQUISITION OF SHARES OF THE PROMOTERS

The average cost of acquisition of Equity Shares acquired by the Promoters as on the date of this Draft Prospectus is:

| Name of the Promoter | No. of Equity Shares held | Average cost of acquisition per Equity Share |
|----------------------|---------------------------|----------------------------------------------|
| Lokendra Rajput      | 11,34,414                 | ₹9.65                                        |
| Rashmi Rajput        | 12,29,154                 | ₹9.97                                        |
| Pushpa Rajput        | 636,392                   | ₹15.55                                       |

## DETAILS OF PRE-IPO PLACEMENT

Our Company has not made any pre-IPO placement. Further, our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus until the listing of the Equity Shares.

## SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash during last one year preceding the date of this Draft Prospectus:

| Date of allotment | Name of the allottee | No. of shares allotted | Face value per share | Issue price per share | Reason for allotment                                                                                                       | Benefits incurred to our Company       |
|-------------------|----------------------|------------------------|----------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| May 25, 2020      | Lokendra Rajput      | 5,60,809               | ₹10.00               | Not Applicable        | Bonus Issue on the pro-rata basis by capitalization of reserves pursuant to the shareholders resolution dated May 25, 2020 | Capitalization of reserves and surplus |
|                   | Rashmi Rajput        | 6,05,084               | ₹10.00               | Not Applicable        |                                                                                                                            |                                        |
|                   | Pushpa Rajput        | 3,09,921               | ₹10.00               | Not Applicable        |                                                                                                                            |                                        |

For further details, refer the chapter titled '*Capital Structure*' beginning on page 67 of this Draft Prospectus.

## SPLIT/ CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken any split or consolidation of Equity Shares during the last one year from the date of this Draft Prospectus.



## SECTION III – RISK FACTORS

---

*An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors; and additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with ‘Our Business’, ‘Industry Overview’, ‘Management’s Discussion and Analysis of Financial Position and Results of Operations’ and ‘Restated Financial Statements’ beginning on pages 122, 90, 205 and 182, respectively, as well as the other financial and statistical information contained in this Draft Prospectus.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of our Company prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### **MATERIALITY**

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

### **INTERNAL RISK FACTORS**

1. ***The seeds business is highly seasonal and such seasonality may affect our operating results and cash flow of our Company.***

Our business is seasonal in nature. Both raw material supplies and sales are seasonal, as our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depend on monsoon for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable. We recognize revenues only upon the sale of our products. Empirically, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period may not be necessarily comparable with preceding or succeeding reporting periods. Sometimes, even if there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

2. ***The land and premises for our seed processing units are taken on lease by us including from our Promoters. If we are unable to renew existing leases or relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

Our seed processing units are not owned by us. One of our seed processing unit located at New Godown No.2, Gali No.10 situated at the premises, has been leased out to us pursuant to a short-term lease agreement dated April 01, 2020 entered into with Modern Food Industries (India) Limited. The said agreement is about to expire on March 31, 2021. Building is leased and the plant and machinery is installed and owned by us.

Further, our other seed processing unit owned by our Promoter Director, Lokendra Rajput is taken on long-term lease basis for a period of 18 years pursuant to a lease agreement dated June 01, 2020. The said unit is situated at Survey No. 262, Village Jaithal, Patwari Halka No.42 Teh. and District Ujjain, Madhya Pradesh. Land is leased. Our Company constructed its own building on that land and installed plant and machinery.

Any event of disagreement between the parties to the lease agreements, or non-renewal of the lease agreements could result in cessation of seed processing activity, which could materially affect the business and impact the financial condition of our Company. Further, if we are unable to receive any approval relating to this premises, we may suffer a disruption in carrying out the seed processing operations.

Further, upon expiration of the aforesaid lease agreement, we shall be required to re-negotiate the terms and conditions on which the agreement is to be renewed. In the event that this agreement is not renewed on commercially acceptable terms or at all, we may suffer a disruption in carrying out the seed processing operations due to the closure of the plant/s. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

For further details, please refer to the section titled '**Our Business**' beginning on page 122 of this Draft Prospectus.

**3. *We are heavily dependent upon on the success of our research and development (R & D) and the failure to develop new and improved products could adversely affect our business***

Our Company has in the past made, and intends to continue to make, investments in research and development. In Financial Year 2019-2020 and in the half-year ended September 30, 2020, our Company incurred an amount of ₹2.33 Lakhs and ₹15.78 Lakhs, respectively, on research and development expenses, which accounted for 0.05% and 0.30% of our revenue from operations in the Financial Year 2019-2020 and the half-year ended September 30, 2020, respectively. We cannot assure that our Company will make enhanced investments or continue the current level of investments in research and development efforts, or that these investments will yield satisfactory results, or any results at all.

Agri-input product life cycles are getting shorter due to technological advancements and growing competition. This has created an urgent need to have in the pipeline an assortment of products which can successfully replace the current products as well as achieve market share objectives. Our success depends heavily on our ability to identify and develop high quality products on a timely basis that meet the evolving needs of our end consumers and that distinguish us from our competitors. Seed research and development covers a broad technological platform and technological advances are frequent, rapid and complex. The process for development of new hybrids and varieties of seeds is lengthy and costly. On an average, it takes three to five years, depending on the crop, for a proprietary hybrid to reach commercial viability. The success of new product offerings depends on several factors such as the ability to accurately anticipate and properly identify changing customer needs or industry trends, efficient use of research and development resources, timely launch, competitive pricing and our ability to innovate, develop and commercialize new products and to differentiate our products from those of our competitors. In particular, the breeding process for certain field crops and vegetables are more complex and time consuming, and we may require a long time to develop and commercialize new products. We thus cannot assure the timely development of new products to meet consumers' changing needs. If we are not able to adequately respond to such changes in time, our business may be adversely affected.

Research and development process involves the application of high level of technology. Our Company has outsourced the research and development activities for our Company to Lorven Biologics Private Limited. Our success depends on Lorven Biologics Private Limited, which is not under our control. Further, we cannot assure that, we shall make enhanced research and development investments or continue the current level of research and development investments in our business, or that this investment will yield satisfactory results in terms of new and improved products, or will yield any results at all. For further information on the steps being taken by our Company against threats like piracy and theft of research and development and new

innovations, please refer to the heading titled ***'Steps being taken by our Company against piracy and theft'*** under the section titled ***'Our Business'*** beginning on page 122 of this Draft Prospectus. Additionally, we cannot assure that a new product will be commercially successful. If we are unable to successfully develop and commercialize new, competitive products, our business, financial condition, results of operations and prospects could be materially and adversely affected.

4. ***Our Company has outsourced the research and development activities to Lorven Biologics Private Limited. We have entered into any arrangement or agreement with Lorven Biologics Private Limited. In an event of conflict of interest or disagreement with Lorven Biologics Private Limited, resulting into termination of services by or with Lorven Biologics Private Limited may adversely affect our research and development operations.***

Our Company does not own any land for the purpose of performing research and development activities and has delegated the research and development activities to Lorven Biologics Private Limited since the calendar year of 2018. A Research and Development Agreement has been entered and executed between our Company and Lorven Biologics Private Limited on February 05, 2021. There was no formal agreement, prior to this. Lorven Biologics Private Limited carries on the research and development process for our Company from the unit situated at Shed No - 6, Pipeline Road, opposite to Porus Laboratories IDA, Jeedimetla, Hyderabad - 500055, Telangana, India. On Research and Development activities, our Company has deployed an amount of ₹2.33 Lakhs and ₹15.78 Lakhs, respectively, on research and development expenses, which accounted for 0.05% and 0.30% of our revenue from operations in the Financial Year 2019-2020 and the half-year ended September 30, 2020, respectively. In the event non-compliance with terms and conditions mentioned in the said agreement or any discomfort, or disagreement surfaces between our Company and Lorven Biologics Private Limited, it may result into cessation or termination of the research and development activities, ultimately impeding our operation and adversely affecting our financial condition.

Further, in accordance with the terms and conditions specified under the said agreement, in the event any damage is caused to the equipment by our Company while undertaking the research and development activities, our Company shall be held liable to compensate and make good for the loss caused by undertaking the repairs and replacement at our Company's cost or reimburse the said cost to Lorven Biologics Private Limited, which shall impede our operations and adversely affect our financial conditions.

5. ***One of our warehouse, located at Jaithal is taken on lease by us from one of our Promoter Director, Rashmi Rajput. However, no definitive agreements or arrangements was made.***

One of our warehouse, located at Jaithal is taken on lease by us from one of our Promoter Director, Rashmi Rajput. However, no definitive agreements or arrangements was made for the same.

Due to the absence of any agreement, our Promoter Director, Rashmi Rajput, owner of the aforesaid warehouse, may terminate our relationship with or without cause, with shorter or no advance notice. This could result in hunting of new warehouses in the supplied state which could result in extensive delay in storing of the agri-products, resulting into deterioration of the nutritional quality of the agri-seeds products, ultimately impacting the sales of our products, our profit, and business conditions which could also cause negative reputation in the market of our Company.

For further details, please refer to the section titled ***'Our Business'*** on page 122 of this Draft Prospectus.

6. ***Weather conditions, crop diseases and pest attacks could adversely affect the production of our seed products, as well as the demand for our seed products, which may adversely affect our business, financial condition, results of operations and prospects.***

Our seed production activities and the Indian seeds industry are subject to substantially all the risks faced by the agriculture industry in India. Crop yields depend significantly on the absence of any crop disease or pest attacks and favourable weather conditions such as adequate rainfall and temperature, which vary from location to location. Adverse weather conditions such as windstorms, flood, drought or frost may cause crop failures and reduce harvests, which may adversely affect our operations. However, results of changes in weather and climatic conditions are difficult to predict and may affect crop planning and timing. In addition to factors such as soil quality and the use of fertilizers, weather conditions may also affect the presence of diseases and pests. Any of these factors may adversely affect our production of seeds. Additionally, we cannot assure that adverse weather patterns in the future or potential crop diseases will not affect our ability to

produce the desired quality or quantity of products to meet demand and in turn, their pricing. Any of these factors, or a combination thereof, can adversely affect the quality of our seeds, yield and inventory levels, could increase our cost of operations, strain our operating margins and reduce our operating revenue, which could materially and adversely affect our business, financial condition, results of operations and prospects.

**7. *The land and premises at which our Registered Office and our Corporate Office is situated has been taken on lease by our Company. If we are unable to renew existing leases or relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

The Registered Office of our Company situated at the premises of C-2/1, Mahananda Nagar Dewas Road Ujjain Madhya Pradesh – 456010, India, is not currently owned; but has been leased out to us pursuant to a lease agreement dated March 12, 2020 with our Promoter Director, Pushpa Rajput for occupying the premises for our Registered Office; for a tenure of twelve (12) calendar months effective from April 01, 2020 until March 31, 2021. Similarly, the Corporate Office of our Company situated at Plot No. 312, KLR Venture, Medchal, Medchal–Malkajgiri District, Hyderabad – 501 401, Telangana, India, is not an owned property, but has been leased out to our Company pursuant to a rental agreement dated January 04, 2021, executed between our Company and Sri.B.Sridhar Yadav for a period of 11 (eleven) months effective from January 04, 2021 for the purpose of occupying the premises for commercial purpose.

If we fail to comply with the stipulated conditions of the aforesaid agreements, the lessors may terminate the lease agreement or the rent agreement, which could have an adverse effect on our operations; and there can be no assurance that renewal of lease agreement and/ or the rental agreement with the owner will be entered into.

Further, upon expiration of the aforesaid lease agreement dated March 31, 2021, and rental agreement dated December 03, 2021, we shall be required to negotiate the terms and conditions on which the lease and the rental agreements are to be renewed. In the event that these agreements are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. Further, if in an event alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

**8. *Our Company has entered into an agreement with V.I.B Agritech for establishing seed processing facility***

Our Company has entered into an agreement with M/s V.I.B Agritech (hereinafter referred to as “Processor”) for processing of seeds for our company. The Processor is responsible for processing of seeds, unloading of raw materials, storage processing, packing of seeds, etc. In the event of disagreement between the parties to the agreement and cessation of operations at the seed processing facility, it could materially and adversely affect the processing operations, which could impact the business at large; further there can be no assurance that the said agreement shall be renewed within time.

Further, upon expiration of the aforesaid lease agreement, we shall be required to re-negotiate the terms and conditions on which the agreement is to be renewed. In the event that this agreement is not renewed on commercially acceptable terms or at all, we may suffer a disruption in carrying out the agreed operations, ultimately affecting our financial condition and results of operations.

For further details, please refer to the section titled ‘**Our Business**’ on page 122 of this Draft Prospectus.

**9. *V.I.B Agritech is responsible to comply with various applicable laws and in an event of non-compliance with any statutorily applicable law could adversely affect our business.***

Our Company has entered into a custom seed processing agreement with M/s V.I.B Agritech. In accordance with the terms and conditions agreed between M/s V.I.B Agritech and our Company, M/s V.I.B Agritech has undertaken the responsibility to ensure compliance with various regulations and hold licenses under relevant applicable statutes and acts; and our Company is not liable to undertake any compliance under any law. Any event of non-compliance with the applicable regulations or non-renewal of licenses by M/s V.I.B Agritech, would not only result in cessation or halting of operations of processing facility of M/s V.I.B Agritech but would also effect the seed processing of the products of our Company, ultimately impacting the business our business, financial condition, results of operations and prospects of our Company.

For further details, please refer to the section titled '**Our Business**' on page 122 of this Draft Prospectus.

**10. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.**

Subsequent to conversion of our Company into public limited company on January 15, 2021, we need to apply for change in name in all our registrations and statutory approvals which are in previous name of our Company. Further, Company has not renewed License to carry on the business of a dealer in seeds in Maharashtra under the Seeds (Control) Order, 1983. The last Certificate of Renewed Seed License issued under the Seeds (Control) Order, 1983 was valid upto 3rd June, 2020, there has been no further renewal. Any delay or failure to renew and change could have an adverse effect on our business and results of operations.

For further details, please refer to section titled '**Government and Other Approvals**' beginning on page 225 of this Draft Prospectus.

**11. None of the seed varieties produced by us through research and development have been registered under the Protection of Plant Varieties and Farmers' Rights, 2001.**

We have developed a number of seed varieties through research and development at a substantial cost. However, none of these varieties, so far, have been registered under the Protection of Plant Varieties and Farmers' Rights, 2001. Further, we cannot assure that, our Company will endeavour to register these seed varieties with the regulatory authorities concerned and thereby be entitled to statutory protection under the Protection of Plant Varieties and Farmers' Rights, 2001.

**12. We have not entered into any arrangement or agreement with our distribution network and rely on the success of our existing distribution network and the financial health of our distributors. In an event of unstable distribution network or conflict of interest with the competitors and our inability to attract high quality dealers, our Company may be adversely affected impacting our business, results of operations and financial condition.**

The challenge in the agri-inputs business lies in reaching a geographically dispersed end-user at the right time at the right place with the right product. We primarily rely on our distribution network and dealership to reach the end customer, that is the farmer, and distribute, market and sell our agri-input products in each of the regions where we operate. Competition for seed distributors and other agri-inputs dealers is intense and our growth depends on our ability to attract more high-quality distributors into our distribution network.

Further, while we continuously seek to increase the penetration of our products by appointing new dealers and distributors targeted at different markets and geographies, we cannot assure that we will be able to successfully identify or appoint new dealers and distributors, or effectively manage our existing distribution network. If our competitors offer more favourable terms to our dealers and distributors than those offered by us, such dealers and distributors may decline to distribute our products and terminate their arrangements with us or they may focus on selling our competitors' products. Since, there are no contractual arrangements with our existing distributors they may market and sell products of our competitors as well, which shall affect into conflict of interest or may affect our relationship with our existing distribution network which may restrict us from selling our products through them, thereby limiting our ability to expand our network. If we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition and results of operations.

We cannot assure that revenue from distributors accounted, individually or as a group, will continue, or if continued, will reach or exceed historical levels in any given period. Our failure to maintain a stable distribution network and attract more quality distributors into our distribution network may cause our market share to decline, thereby materially and adversely affecting our business, results of operations and financial condition.

We generally do not enter into any supply contracts or supply agreements with our distributors and dealers for the sale of our products. Hence, our business is therefore dependent on maintaining good relationships with our distributors. Our sales are recorded when we deliver our products based on purchase orders received from time to time. Purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

Further, due to the lack of agreements, and in the absence of any arrangements with us, our dealers and distributors are not contractually bound to provide us a specific volume of business and can terminate our relationship with or without cause, with little or no advance notice and without compensation. Consequently, there is no commitment on the part of dealers and distributors to continue to place new orders with us and our sales may fluctuate from period to period as a result of changes in our distributors' preferences, and we may be unable to procure repeat orders. For the aforesaid reasons, we also lack control over any sub-dealers, and in certain cases, over the retailers of our products.

Cancellation by dealers and distributors, reduction in their orders or instances where anticipated orders fail to materialize can result in mismatches between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to inventory maintenance and reduction of our margins, which may adversely affect our profitability and liquidity.

**13. Our Company does not have any definitive agreements or arrangements with some warehouse agent to store the inventories.**

Our Company does not own any warehouse for the purpose of storing of its agricultural produce. In this regards, our Company has entered into an agreement with some warehouse agents and have entered into any agreements or contracts with our consignee and forward agents cum warehouse agent and dealers for the purpose of storing of our agri-products. However, our Company **does not have any definitive agreements or arrangements in case of following warehouse agent:**

| <b>Name of the Warehouse Agent</b> | <b>Address</b>                                                                              |
|------------------------------------|---------------------------------------------------------------------------------------------|
| M/s Shree Radhe Krishna Cold Store | 82, Village Dhabla, Rehwari, Bakaniya Road, infront of Bherav Maharaj Temple, Ujjain, India |
| M/s Modern Food Industries         | 507, Agar Road, Village Jaithal, Tehsil Ghattiya, Ujjain - 456006, Madhya Pradesh, India.   |

Due to the lack of agreements, and in the absence of any arrangements with us, our warehouse agents can terminate our relationship with or without cause, with little or no advance notice. This could result in hunting of new warehouses in the supplied state which could result in extensive delay in storing of the agri-products, resulting into deterioration of the nutritional quality of the agri-seeds products, ultimately impacting the sales of our products, our profit, and business conditions which could also cause negative reputation in the market of our Company.

**14. We have a limited number of raw material suppliers. Any kind of refusal from them can hinder our production resulting into loss of our clients.**

There are a very few suppliers from which raw materials like hybrid seeds can be procured, and they may allocate their resources to service other clients ahead of us. While we believe that we could find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition and results of operations.

**15. Our Company has violated the provisions of Section 67 of the Companies Act, 2013.**

Our Company has violated the provisions of Section 67 of the Companies Act, 2013, by granting monies and providing financial assistance to our Directors cum Members of our Company in connection with purchase and subscription of equity shares of our Company pursuant to the Rights Issue of equity shares allotted on May 22, 2020. As on date, no regulatory action has been pending against the Company in this regard; however, we may be susceptible to statutory action, in the near future and penalty could also be levied for such non-compliance. The said transaction is in non-compliance of Section 67 of the Companies Act, 2013. Penalty in terms of fine and imprisonment may be levied on the Company and its Directors in the future. Our financial conditions would be negatively impacted to that extent. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business and reputation of our Company.

**16. A shortage or non-availability of essential utilities such as electricity and water could affect our operations**

***and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through bore wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

- 17. Any reduction in the demand for our products could lead to underutilization of our production capacity. We may also face surplus production of a particular product due to various reasons including inaccurate forecasting of customer requirements, which could adversely affect our business, results of operations, financial condition and cash flows.***

We face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being produced by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products produce by us) by customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn produce by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our production capacity fora particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our processing facilities could adversely affect our business, results of operations, financial condition and cash flows.

- 18. Information relating to estimated installed capacities of our processing is based on various assumptions and estimates and actual production may differ significantly from such estimated capacities.***

The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our seed processing thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Therefore, there could be a significant difference in the installed capacity and the production of our products due to the variety of products that we produce. Certain products require lesser process time whereas certain products require more process time in the same production set-out that we have installed.

Therefore, the information provided in this Draft Prospectus on installed capacities and the data on actual production may differ significantly. For further details, please refer to the section titled '***Our Business***' on page 122 of this Draft Prospectus.

- 19. We rely on third party seed growers for our seed production. The occurrence of any problems with such third party seed growers may require us to scout for other seed growers at shorter notice which may not be possible, and could, therefore, have a material adverse effect on our business, operations, results of operations and financial conditions.***

Our seed production is generally undertaken through organizers who are basically farmers who undertake the responsibility for organizing the seed production programs through their network of farmers in a particular area. These seed growers are independent contractors and not our employees. Although seed production is subject to close supervision by our employees, such arrangements with seed growers carry with them the risks associated with the possibility that seed growers may:

- a) Have economic or other interests that are inconsistent with ours;
- b) Take actions contrary to our instructions or requests, and/or;
- c) Be unable or unwilling to fulfill their obligations.

We cannot be sure that we will not face problems with these third-party seed growers, or that they will choose to continue to work with us in future. The occurrence of any such problems may require us to scout for other seed growers at shorter notice which may not be possible, and otherwise will have a material adverse effect on our business, results of operations and financial condition. We do not have long-term contracts with seed growers/arrangers and cannot assure that such seed growers/ organizers will continue to work with us in the future.

**20. *We are highly dependent on markets in the states of Maharashtra, Bihar, Chattisgarh, Jharkhand, Rajasthan, and Uttar Pradesh and are exposed to risks related to the concentration of our operations in these states. Any disruption to our operations in these states could materially and adversely affect our business, financial condition, results of operations and prospects.***

A significant proportion of our sales efforts have been in the states of Maharashtra, Bihar, Chattisgarh, Jharkhand, Rajasthan, and Uttar Pradesh. Although our business operations are concentrated in these states out of necessity as most of these states are the key producing states in India, such concentration exposes us to significant risks that any adverse changes to the markets in these states could adversely affect our business, financial condition, results of operations and prospects.

If one or more of the following occur in these states:

- Adverse weather conditions, including windstorms, floods, drought and temperature extremes, or any natural disasters such as earthquakes;
- Change in growing patterns or preference for other staple crops by farmers;
- Negative demand for, or political opposition to, genetically modified seeds;
- Expansion of our competitors' operations;
- Failure to enter into contract farming arrangements on favourable terms;
- Failure to engage the labour we require for our operations on favourable terms;
- Enactment of any unfavorable laws, rules or regulations; and
- Our business, financial condition, results of operations and prospects could be adversely affected.

We cannot assure that we will be able to reduce our dependence on operations in these states, or that such dependence will not increase in the future.

**21. *Lack of awareness and knowledge among farmers.***

All the major developments and the inventions are not able to reach the people at the grass root level like farmers, who are the main human resource for agriculture, thus lack of knowledge and awareness among them is the basic reason for them not opting for hybrid seeds and choosing naturally grown seeds over them. We undertake awareness initiative like product promotional activities, product demonstrations at farmer's field for evaluation of product performance and acceptance of product, 'Field Day' programs for farmers etc. to spread awareness about our products.

**22. *The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.***



In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by the World Health Organization. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, 'stay-at-home' orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities.

No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced. Although some governments are beginning to ease or lift such restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown. On March 14, 2020, India declared COVID-19 as a 'notified disaster' and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. The COVID-19 pandemic resulted in some disruptions in the supply of raw materials from our suppliers during the months of March, April and May 2020. The scale of the pandemic and the speed at which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, particularly, in Fiscal 2021, may differ significantly from our historical rates, and our future operating results may fall below expectations. The impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct, our operations and R&D activities, resulting from government action;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a significant percentage of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed or postponed indefinitely;
- impact our ability to travel, pursue partnerships and other business transactions and delay shipments of our products;
- delays in orders or delivery of orders, which will negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity, including customer bankruptcies or payments to suppliers due to delay in collections or liquidity issue;
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether

government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. As of the date of this Draft Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business.

**23. *Our business requires high level of inventory levels. Our product cycle is also long. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could adversely affect our business.***

We are engaged in the business of hybrid seeds which requires considerable amount of time. Seeds cannot be manufactured and have to be grown naturally. Hence, our Company is required to take production decisions in the season preceding the seasons of sale and maintain our inventory levels based on our own assessment and projections in the future demand. Further, many a times, the desired breed of hybrid/ research seeds is obtained even at eight to tenth generation where each generation represents a complete crop cycle. Any inaccurate forecast of demand for any product can result in shortage/ surplus of products. This shortage of products may depress sales volume and can adversely affect customer relations. Conversely, any inaccurate forecast can also result in an over-supply of products, which may increase the carrying costs of inventory, strain cash flows, erode margins and ultimately create write-offs of inventory. It is possible that we may make more than one such inaccurate forecasts in one season. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial conditions.

**24. *The use of pesticides and other hazardous substance in our operations may lead to loss of nutrients in the seeds produced and also may lead to environmental damage and result in increased costs.***

Hybrid seed production involves high usage of pesticides and other hazardous substance. We may also have to pay for the costs or damages associated with the improper application, accidental release or the use or misuse of these substances. In these cases, payment of costs or damages could have a material adverse effect on our business, results of operations and financial condition. Hybrid seed production involves high usage of pesticides and other hazardous substance, using pesticides in such an increased quantity could lead to loss of nutrients in the seeds which make them less attractive from that of organically produced seeds.

**25. *Prices for our products are subject to government controls.***

The prices for seeds are subject to controls imposed by government authorities. In addition, statutes such as the Essential Commodities Act, 1955 also provide for control by the government of the supply, distribution and trade in relation to certain notified commodities for securing their equitable distribution and availability at fair prices. A reduction in the price of seeds in one state may also cause a reduction in the price of seeds of the same type in another state as customers may choose to procure seeds from suppliers in the state with lower prices. Any adverse changes in the pricing environment for our seed products or the introduction of price controls on any other products could affect our strategy for seed products or our overall business strategy and could significantly affect our revenues and operating margins. We cannot assure you that the pressures on pricing of seeds as a result of government controls will decrease or cease to operate in the foreseeable future. We may not be able to set prices for our products at levels high enough to earn an adequate return on our investments, which could materially and adversely affect our business, financial condition, results of operations and prospects.

**26. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers and dealers/distributors. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business and results of operation.***

Our success depends on the smooth supply and transportation of the raw materials required for our manufacturing process and transportation of our products from our manufacturing units/depots to our customers and dealers/distributors, both of which are subject to various uncertainties and risks. We use a combination of third party transportation providers for the said transportation purpose. In the event of transportation strike, it may have a material adverse effect on our supplies and our deliveries to and from our customers and suppliers in a timely and cost efficient manner. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Our

transportation cost would be primarily consisting of outward freight which in aggregate constituted 2.19%, 3.52%, 2.77% and 4.92% of our total revenue from operations for Financial Year 2017-2018, 2018-2019 and 2019-2020 and six-month period ended September 30, 2020, respectively. There may also be delay in delivery of raw materials and products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

**27. *Product defects could adversely affect our business.***

Although seeds undergo extensive quality checks before they are processed, they may still contain defective or undesired characteristics that may be difficult to detect, with the available technology and tools at our dominion, prior to their sale and use. Since our seeds are used by farmers, any quality defects therein would directly affect the earnings of the farmer. Losses claimed by farmers may include the value of lost crops, which could greatly exceed the value of the seeds we sell. If defective or contaminated seeds are sold to a large number of farmers or over a geographically wide area, it may lead to a large-scale crop failure thus substantially increasing our potential liability for claims. The proper usage of seeds and adherence to recommended farm practices as well as the environment during crop period are all beyond our control once we sell the seed to our customer. Irrespective of the quality of the seeds, farmers may claim poor crop yields in one or more seasons as resulting from alleged seed defects, which may not exist or may be exaggerated, and seek to claim damages/compensation from us on that ground. Further, in order to attain the desired levels of crop yield, certain precautions like utilization of the soil application, proper application of fertilizers, timely application of pesticides, timely supply of water etc. have to be followed. Moreover, weather conditions must be favourable. In the event of any errors on the part of the farmers, or adverse weather conditions, they may claim defects in the quality of the seed. However, ascertained product defects cannot be determined in percentage terms though we face claims for product defects. Furthermore, we are subject to government regulations and periodic government inspections. We believe that our processing plants/facilities comply in all material respects with all applicable laws and regulations, we cannot assure that use of our products will not expose us to costly and time-consuming litigations/ claims and lead to negative publicity about the quality of our products, further affecting our sales and performance. Any of the aforesaid factors would have a material adverse effect on business, financial condition and results of operations.

**28. *We are subject to restrictive covenants under our financing agreements that could limit the flexibility we have to manage our business.***

There are restrictive covenants in the financing agreements that we have entered into, including, but not limited to, requirements that we obtain the prior approval of, or provide notice to, our lenders in connection with certain activities.

Most of our financing arrangements are secured by our movable assets and by certain immovable assets. Our accounts receivable, inventories, certain machinery and equipment are subject to charges created in favour of specific secured lenders. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Typically, restrictive covenants under financing documents of our Company relate to obtaining prior consent of the lender for events or actions including the following:

- Any change in the capital structure of our Company;
- Any change in the depreciation method of our Company;
- Any change in the accounting procedure of our Company;
- Any change in shareholding of our Promoter;
- Any scheme of merger, amalgamation, compromise or reconstruction;
- Undertaking any new project schemes, investment;
- Any additional borrowings arrangement, secured or unsecured, or short term financial assistance, or placement of funds;

- Undertake guarantee obligations on behalf of any third party or any other company;
- Declaring any dividend on share capital of the Company, if our Company has failed to meet its obligations to pay the interest and/or commission and/or installment or installments and/or other moneys payable to the lender, so long as it is in such default;
- Any encumbrance or security over charged assets;
- Change in the ownership or control of our Company, resulting in any change in the beneficial ownership;
- Any material change in the management of our Company;
- Any change in the constitutional documents of our Company;
- Selling, assigning, mortgaging or otherwise disposing of any of the fixed assets charged to the lender;
- Any contractual obligation of a long-term nature or affecting our Company financially to a significant extent; and
- Any change to the general nature of the business of the Company.

In addition, such restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. Such financing agreements also require us to maintain certain financial ratios. Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have an adverse effect on our financial condition and results of operations.

**29. *Our Company has failed to comply with section 185 of the Companies Act, 2013 which may result in levy of penalty in future***

The Company had issued Equity shares by means of Private Placement in the financial year 2018-19. However, the Company had transferred money in the account of the shareholders who are also Directors of the Company for the purpose of making application to the issue. The said transaction is in non-compliance of Section 185 of the Companies Act, 2013. Penalty in terms of fine and imprisonment may be levied on the Company and its Directors in the future.

**30. *Our Company has failed to ensure Secretarial Compliances which has resulted in non-compliance of Companies Act, 2013. An exhaustive list of the same is mentioned below:***

- i. Disclosure of AS-18 is not present in any of the Financials statements of the Company;
- ii. There are clerical mistakes in the forms filed with Registrar of Companies such as:
  - a) Format of PAS-5 attached in Form PAS-3 is not as prescribed in the Companies Act, 2013.
  - b) Altered MOA is not attached in Form MGT-14 filed with the Registrar of Companies for filing of resolution related to increase in Authorised Share Capital of the Company
  - c) Designation of Ms. Pushpa Rajput mentioned in Form DIR-12 is Executive Director whereas the resolution passed by the Board of Directors and shareholders is for appointment of Ms. Pushpa Rajput as Non – Executive Director.
  - d) In the Financial Year 2014-2015, in pursuance of right issue of Equity Shares undertaken by our Company, our Company had allotted Equity Shares on December 08, 2014 to the then existing shareholders of the Company, namely being Lokendra Rajput and Rashmi Rajput, however, our Company had inadvertently failed to file e-form PAS-3 with respect to the same allotment; and

the said e-form has been belatedly filed with the Registrar of Companies by paying additional fees on March 07, 2021;

- iii. Company has failed to file various e-forms under the provisions of Companies Act, 2013. Illustrative list of non-compliances is as under:
- a) 2014-15
    - Company has not filed Form CHG-1 for creation of charge in relation to secured loan taken from IndusInd Bank
    - Company has not filed Form CHG-1 with ROC for modification in terms of secured loan taken from IndusInd Bank
  - b) 2015-16
    - Company has not filed Form CHG-1 with ROC for creation of charge in relation to a secured loan taken from Yes Bank
  - c) 2016-17
    - Company has not filed Form CHG-4 with ROC for satisfaction of charge for loan repaid of IndusInd Bank
  - d) 2019-20
    - Company has not filed Form CHG-1 with ROC for creation of charge in relation to a secured loan taken from Axis Bank
- iv. In the financial year 2014-15, Company had passed a limit of Rs. 1,00, 00,000 via Special Resolution. However, Company had availed loan worth Rs. 1,93,31,550 from IndusInd Bank in the same year which resulted in non-compliance of section 180 of the Companies Act, 2013.
- v. For the financial year 2018-19, the shareholding pattern attached in Form MGT-7 is different from the shareholding details as mentioned in Notes to Accounts and Director's report.



31. ***Our Company's logo "हरियाली से खुशहाली तक" is not registered under the Trademarks Act, 1999 as on date of Draft Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

We may be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

32. ***We face competition, and our inability to compete effectively for any reason could materially and adversely affect our business, financial condition, results of operations and prospects.***

We compete with other seed producing companies on factors such as product availability, range, disease and pest resistance, traits and quality as well as based on price, reputation, customer service and convenience. We also compete for production inputs such as arable land and seed growing farmers. Further, competition for qualified agri-business personnel, as well as for seed distributors is intense. Our major competitors are, Ankur Seeds Private Limited, Rasi Seeds Private Limited, Seminis Vegetable Seeds (India) Private Limited, and

Syngenta India Limited.

We face substantial competition due to technological advances by our competitors in various facets of the agri-inputs business. Some of our competitors, who invest huge amounts of money considerable resources on Research and Development and in technology are able to come out with very effective and highly improved versions of hybrids. Further, the introduction of biotechnology has resulted in the entry of various agro-input companies into the seed industry, thus increasing the competition in the industry.

With the number of products available to farmers steadily increasing, we anticipate that we will continue to face competitive challenges. The development and commercialization of hybrid and open pollinated varieties of seeds typically takes a long time and may take approximately 72 to 84 months from the time of collection and evaluation of the relevant germplasm to the launch of a new seed product in the market. If a competitor introduces a successful product suited to farmer needs, it could take a long period for us to develop a suitably competing product, which could have a material adverse effect on our business, results of operations and financial condition.

Some of our competitors may have access to greater resources than those available to us, be able to invest resources in research and development, be able to introduce products of comparable or higher quality and may be willing to reduce prices in order to increase their market share. If we are unable to compete effectively, including in terms of pricing or the quality of our products, our market share may decline, which could materially and adversely affect our business, financial condition, results of operations and prospects.

**33. *The nature of our business is time-bound and any inability on our part to convey our products to our distributors/ dealers/ end users at the right time, could have a material adverse effect on our business, results of operation and financial condition.***

The nature of our business requires our products to be available in the market before the beginning of every crop season in order to meet agricultural demand. Dealers and/or distributors are generally situated close to the geographically dispersed customers, and far from our production facilities. The sowing season is short, and we have to ensure that our products reach the farmers exactly when they need them. Therefore, any interruption in our ability to deliver our products to the distributors/ dealers/ end users, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition.

We currently do not own all of our logistical infrastructure and we do rely on third party service providers in some instances for transportation and delivery of our products. Some of the factors that may interrupt delivery of our products include unavailability of suitable transporters, or delays in transportation, damage or loss of goods during transit, strike by unionized transportation providers, natural disasters, or any unusual or sudden rise in the cost of transportation or the price of fuel. While we are not insured for any loss of profit resulting from a failure to deliver products in a timely manner. If we were to experience any interruption due to any of the above factors, we cannot assure that we will be able to organize alternative methods of delivery in a timely and cost-effective manner or at all.

**34. *Our business is primarily dependent upon a continuing relationship with dealers/ distributors for sales of our products. Any reduction or interruption in the business of these dealers/ distributors, or a substantial decrease in orders placed by these dealers/distributors may have an adverse impact on the revenues and operations of our Company. Further, we do not have any long-term or exclusive arrangements with dealers or distributors for selling our products.***

We are primarily dependent on dealers/distributors for our business. We have over the years developed a network of distributors and dealers across India. We intend to grow our business by adding new distributors both in existing as well as in new markets.

Due to the seasonal nature of our business, we have not entered into any agreement for the sale and distribution of our products. There is no assurance that we will be able to maintain the same levels of business from our existing dealers/ distributors or that we will be able to replace our dealers/ distributor base in a timely manner or at all in the event our existing dealers/distributors do not continue to purchase the products of our Company. The loss of or interruption of work by, a significant number of dealers may have an adverse effect on our revenues and operations.

While we believe that our relationship with these parties has been satisfactory, there are no arrangements that we have entered into with our dealers and distributors, and there is no assurance that they will not place orders with other players in the market. In addition, our dealers and distributors could change their business practices and their payment terms. In an event our dealers and distributors experience delays in placing orders with us or if they do not effectively market our products or market the products of our competitors instead, there could be a material adverse effect on our business forecast, business growth and prospects, financial condition and results of operations.

In addition, our dealers and distributors could change their business practices, such as inventory levels or line of businesses. The inability of our dealers/distributors to meet our payment schedules or unexpected changes in inventory levels or other practices by our dealers/distributors could negatively impact our business, operating cash flows and financial condition. Our inability to maintain our existing distribution network of dealers and distributors or to expand it proportionately with the proposed increase in our manufacturing facilities/capacities, could have a material adverse effect on our sales, business growth and prospects, results of operation and financial condition.

**35. *We are subject to transportation risks.***

An extended interruption in our ability to ship our products, including the unavailability of suitable transporters and delays in the delivery of products, could have a material adverse effect on our business, financial condition and results of operations. Similarly, any extended disruption in the distribution of our products could have a material adverse effect on our business, financial condition and results of operations. While we would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner.

**36. *We are subject to extensive and stringent regulations affecting our seed production and distribution and our research trial processes, which affects our sales and profitability.***

Extensive and stringent regulatory requirements affect the production, processing and distribution of our products, including the testing and planting of seeds containing our biotechnology traits and the quantum of crops grown from those seeds, and any non-compliance can harm our sales and profitability. Obtaining production, sales import approvals for seeds or biotechnology traits can be time-consuming and costly, with no guarantee of success. In addition, regulatory and legislative requirements may change over time which can also affect our sales and profitability. The failure to receive necessary permits or approvals could have near-and long-term effects on our ability to produce and sell future products. Production approvals may also include significant regulatory requirements that may limit our sales. Sales of our traits without having approval for the production of crops containing such biotechnology traits could lead to disruption of that market and we may face claims of potential liability. Concern about unintended but unavoidable trace amounts (sometimes called “low-level presence”) of commercial biotechnology traits in conventional (non-biotechnology) seed, or in the grain or products produced from conventional or organic crops, among other things, could lead to export disruption and increased regulation or legislation, which may include: liability transfer mechanisms that may include financial protection insurance; possible restrictions or moratoria on testing, planting or use of biotechnology traits; and requirements for labelling and traceability, which requirements may cause companies to avoid biotechnology and select non-biotechnology crop sources and can affect farmer seed purchase decisions and the sale of our products. Further, the detection of the presence of biotech traits not approved in the country of planting (sometimes called “adventitious presence”) may affect seed availability or result in export disruption and compliance actions, such as crop destruction or product recalls. Legislation encouraging or discouraging the planting of specific crops can also harm our sales.

**37. *Any change in the government policies vis-à-vis expenditure, subsidies, etc. in agriculture sector or failure of farmers to realize expected prices for their crops could affect their ability to spend on agro input products, thereby affecting our business and profitability. Further, the government policies for the subsidies and incentives are subject to strict terms and conditions.***

Any changes in the government policies relating to the agriculture sector such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, export restrictions on crops, or adverse changes in commodity prices and/or minimum support prices could have an adverse effect on the ability of farmers to spend on agro input products. Governments and end users of our agro input products may seek to

find ways to reduce or contain agriculture related costs. We cannot predict the nature of the measures that may be adopted by governments or private organisations or their impact on our revenues.

In the event such measures result in increased costs for farmers to undertake agriculture, their demand for some or all of our products may reduce, which could reduce our sales and cash flows and affect our profitability. Also, if agriculture related legislation or third party players influence results in lower prices for our products, our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for our products increases.

Further, the government policy for the subsidies and incentives are subject to strict norms. For availing subsidies on sale of some of our products we have to comply with prescribed provisions or norms of the Government. In the event of non-compliance, we may have to forgo the subsidies provided, which may affect our financial conditions and profitability.

**38. *There may be changes in the regulatory framework governing the Indian seeds industry that could adversely affect us.***

The Indian seeds industry is a substantially regulated sector, presently regulated *inter alia* by the Seeds Act, 1966; the Seeds Rules, 1968, the Seeds (Control) Order, 1983, the National Seeds Policy, 2002, Agriculture produce (Grading and Marketing) Act 1937, and Food and Safety Standard Act, 2006. In light of the many changes in the seeds industry since 1966, the Central Government and the State Government have proposed the Seeds Bill, 2019 which call for more stringent means of consumer/ farmer protection by regulating the quality of seeds produced and ensuring further compliance in this regard. Thus, the statutory and regulatory framework for the Indian seed industry may see changes in the future which may be extensive. We presently do not know what the nature or extent of the changes, if any, will be and cannot assure that any such changes will not have an adverse impact on our business, results of operations and financial condition.

For a discussion of the regulatory framework governing the Indian seeds industry, please refer to the section titled '**Key Industry Regulations and Policies**' beginning on page 145 of this Draft Prospectus.

**39. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit for extended periods of time to our customers, dealers and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers, dealers and distributors. Our credit terms vary from 30 days to 180 days for our customers, dealers and distributors. While our customers typically provide us with letter of credits, we cannot guarantee that our customers, dealers and distributors will not default on their payments. Our inability to collect receivables from our customers, dealers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In the Financial Year 2017-2018, 2018-2019, 2019-2020, and the six-months ended September 30, 2020, our trade receivables were ₹68.35 Lakhs, ₹164.06 Lakhs, ₹143.63 Lakhs and ₹217.36 Lakhs, respectively, which represented 2.95%, 8.20%, 2.84% and 4.08%, respectively, of our total income for such periods. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, dealers and distributors, and as a result could cause customers, dealers and distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, such as, severe monsoon, drought or low prices for their crops, which could affect their financial condition and consequently their ability to pay the dealers/ distributors for products that have already been sold to them and used by them. An increase in bad debts or in defaults by our customer, dealers and/ or distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**40. *Any violation of the Metrology Act and the Metrology Rules by us may lead to fines and penalties, or seizure and forfeiture of our products, which could adversely affect our business.***



All of our products and the packaging of our products are required to comply with the standards of weight, measurement and numbers prescribed under the Metrology Act and the Metrology Rules. For details, see **‘Key Industry Regulations and Policies’** beginning on page 145 of this Draft Prospectus. If we fail to comply with such standards, or fail to obtain a license from the respective controller as mandated under the Metrology Act, or fail to obtain the verification of weights and measures by the government approved test centers under the Metrology Act, fines and penalties may be imposed on us. In addition, there could be seizure and forfeiture of our products, which could adversely affect our operations.

**41. *A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through bore wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

**42. *Failure to obtain intellectual property rights from third parties could have a material adverse effect on our business.***

Due to the multi-dimensional nature of seed research being conducted, and also to utilize external professional expertise to expedite the process, partnerships with external collaborators, such as academic institutions and other research bodies, have become the norm in the industry. Our ability to further develop seed varieties may depend on whether we have the right to use applicable proprietary technologies, such as the licensing of germplasm or basic seed from third parties. We cannot assure that we would obtain the rights or licenses to use any of these technologies at all, or obtain them on terms and conditions which can be deemed favourable to us, since the same depends on various factors mainly outside our control. Some of these third-party technologies may be pivotal to, or necessary for our products and our business. Failure to obtain the rights to use technologies that are important to our business could have a material adverse effect on our business, results of operations and financial condition.

**43. *Our operations are subject to risks related to an increase in costs or non-availability of raw materials and other key inputs.***

Seed production requires various raw materials including foundation seeds as well as other key inputs such as pesticides, fertilisers, fuel, electricity and water. The costs of seed production, including the cost of materials consumed, as adjusted for changes in inventories, constituted 80.18%, 88.29% and 84.47% of our total operating expenditure, after excluding finance costs, depreciation, amortisation and exceptional item and tax expenses, in Financial Year 2018-2019, Financial Year 2019-2020 and the half-year ended September 30, 2020, respectively.

Production and procurement of these raw materials and key inputs is subject to disruptions and price volatility caused by various factors, including commodity market fluctuations, consumer demand, the quality and availability of raw materials, adverse weather conditions, availability of sufficient working capital and changes in government programmes or regulations. Though we produce our raw materials from a diverse set of suppliers and growers, in the case of foundation seeds, to ensure consistent availability, we cannot assure that we will continue to do so in the future. Our stock of foundation seeds or other raw materials may not be sufficient to meet any unusual increases in demand. Failure of our crops due to any reason may also result in a shortfall in our foundation seeds. In certain circumstances, some of our existing growers, in the case of foundation seeds, may discontinue their operations or may choose to supply raw materials to our competitors instead of us.

Unanticipated increases in costs of raw material or other costs associated with the production of seeds such as the cost of labour, service charges, fertilizers and pesticides or our inability to procure continuously the raw materials within the required time and in sufficient quantity could materially and adversely affect our business, results of operations, financial condition and prospects.

**44. Our Company has allotted shares during the preceding one year from the date of the Draft Prospectus which may be lower than the Issue Price.**

Our Company has made the following allotment of fresh shares to the members of our Company during past twelve months prior to the date of filing of this Draft Prospectus:

| Sr. No. | Date of allotment | Type of Issue | No. of shares allotted | Face value per share | Issue price per share |
|---------|-------------------|---------------|------------------------|----------------------|-----------------------|
| [•]     | [•]               | [•]           | [•]                    | [•]                  | [•]                   |

The Equity Shares allotted to the Investors pursuant to this Issue may be priced significantly higher due to various factors including better performance, economic conditions and passage of time. For further details, kindly refer to section titled '*Capital Structure*' on page 67 of this Draft Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

**45. Our Company and our Promoter Directors have provided personal guarantees for a significant portion of our borrowings to secure certain of our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.**

Our Company and our Promoter Directors have provided personal guarantees and collateral security for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

For detailed information in respect of the same, kindly refer to paragraph titled '*Annexure 3.1 – Nature of Security and Terms of Repayment for Borrowings including Current Maturities*' under the section titled '*Restated Financial Statements*' and '*Financial Indebtedness*' on page 182 and 221 respectively of this Draft Prospectus.

**46. We have availed certain loans from banks and financial institutions, pursuant to the financing agreements that we have entered into with them. Pursuant to the terms of such agreements, we require consents from the respective bankers/ lenders for a number of corporate actions, including for undertaking this Issue. Any failure to obtain such NOC may result in a default under the terms of the financing agreements. Further, we have not received No Objection Certificate from certain banks for including their names as Bankers of our Company in this Draft Prospectus.**

Pursuant to the financing agreements entered into by us with the bankers/ lenders, we are required to obtain consents from the respective Bankers/ lenders to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. Though, we have informed our bankers/ lenders vide written applications of our intention to undertake this Issue, we have not obtained consents from them for undertaking this Issue, and the same is awaited.

Further, No Objection Certificate is awaited from certain Bankers namely being Bank of Baroda, Bank of India and ICICI bank as they have not yet given consent to include their name as Bankers of our Company and include their name in the Draft Prospectus and Prospectus.

However, our Company intends to obtain all the necessary consents in relation to this Issue prior to the filing of the Prospectus with the RoC.

**47. *Our inability to identify and understand evolving industry trends and consumer preferences, and to develop new products to meet our customers' demands may adversely affect our business.***

Changes in consumer preferences and industry requirements may render certain of our products less attractive. Our ability to anticipate to successfully develop and introduce new and enhanced products to create new or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary knowledge, through our own research and development or through technical assistance, that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

To compete successfully, we may need to increase the diversity and sophistication of our product portfolio, which may require substantial capital expenditure. In developing such products, we may need to make investments in our manufacturing facilities and/or otherwise in order to support these goods. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financing, we may have to delay our projects which could make us less competitive and lead to customer loss.

If we do not continue to distinguish our products through distinctive features and design, and to continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline.

**48. *We have high working capital requirements and if we are unable to secure financing for our working capital requirements, there may be an adverse effect on our business, growth prospects and results of operations.***

Our business requires a significant infusion of working capital. In certain cases, significant amounts of working capital are required to finance the purchase of raw materials, finance the research and development process, the operation of our manufacturing facilities, selling and distribution and other works before payments are received from our customers. In addition, our working capital requirements have increased in recent years due to the growth of our Company's business. All of these factors may result, and have resulted, in increase in our working capital needs. As on September 30, 2020, our Company's outstanding short term borrowing is ₹913.94 Lakhs comprising of secured loans of ₹683.63 Lakhs and unsecured loan of ₹230.31 Lakhs by availing the facility of cash credit from Axis Bank. The failure of our clients to make timely payments could require us to write off accounts and make provisions against receivables or increase our working capital requirements, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, if we are unable to provide sufficient collateral to secure the working capital facilities obtained by our Company, we may not be able to obtain the working capital facilities which may affect our business and growth prospects.

**49. *Any delays and/or defaults in payments from our customers could result in increase of working capital investment and/or reduction of our profits, thereby affecting our operations and financial condition.***

We are exposed to payment delays and/or defaults in payments by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. Any delay in payment may require us to make a working capital investment. Further, we cannot assure that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making his payments on an order on which we have devoted significant resources, or if an order in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

**50. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 60 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each

customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. In Financial Year 2018, 2019 and 2020, and in the six months ended September 30, 2020, our trade receivables were ₹68.35 Lakhs, ₹164.06 Lakhs, ₹143.63 Lakhs and ₹217.36 Lakhs, respectively. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition, and results of operations.

**51. *We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, see the section titled '*Dividend Policy*' on page 181 of this Draft Prospectus.

**52. *Our Company's indebtedness could adversely affect our Company's financial condition and results of operations.***

Our Company has entered into agreement with Bank of Baroda, Ujjain for immovable property or any interest therein, book debts, movable property (not being pledge); hypothecation of stock. Further, vide sanction letter dated April 30, 2020, Bank of Baroda, Ujjain has sanctioned credit facility of ₹15,75,00,000/- (Rupees Fifteen Crores Seventy-Five Lakhs only). Further, vide sanction letter dated January 06, 2021 issued by Axis Bank of Ujjain, our Company has been granted credit facility of ₹5,00,00,000 (Rupees Five Crores only) against the pledge of warehouse receipts/ storage receipts. These agreements contain certain restrictive covenants which require us to take the prior written consent of Indian Overseas Bank before undertaking the following activities throughout the currency of the agreement including but not limited to:

- Any change in the capital structure of our Company;
- Any change in the depreciation method of our Company;
- Any change in the accounting procedure of our Company;
- Any change in shareholding of our Promoter;
- Any scheme of merger, amalgamation, compromise or reconstruction;
- Undertaking any new project schemes, investment;
- Any additional borrowings arrangement, secured or unsecured, or short term financial assistance, or placement of funds;
- Undertake guarantee obligations on behalf of any third party or any other company;
- Declaring any dividend on share capital of the Company, if our Company has failed to meet its obligations to pay the interest and/or commission and/or installment or installments and/or other moneys payable to the lender, so long as it is in such default;
- Any encumbrance or security over charged assets;
- Change in the ownership or control of our Company, resulting in any change in the beneficial ownership;
- Any material change in the management of our Company;

- Any change in the constitutional documents of our Company;
- Selling, assigning, mortgaging or otherwise disposing of any of the fixed assets charged to the lender;
- Any contractual obligation of a long-term nature or affecting our Company financially to a significant extent; and
- Any change to the general nature of the business of the Company.

There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are necessary to operate and grow our Company's business. Further, if we default on the repayment of the aforesaid loans, Bank of Baroda and Axis bank could enforce their security interests on our assets limiting our ability to carry out operations. However, we have received a No Objection Certificate from Axis Bank for this Issue vide their letter dated February 12, 2021.

**53. *We have unsecured loans that may be recalled by the lenders at any time and we may not have adequate fund flows to make timely payments or at all.***

We have availed unsecured loans which may be recalled by the lenders at any time. As of September 30, 2020, such loans amounted to ₹150.00 Lakhs. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially and adversely affect our cash flows and results of operations.

**54. *Some of the agreements entered into by us, are not adequately stamped and registered, resulting in making them inadmissible as evidence in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.***

Some of the agreements entered into by us are not adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

**55. *In the ordinary course of our business, there have been certain instances of delayed filings with Registrar of Companies with the payment of additional fees.***

In the past, there have been certain instances of delayed filings with Registrar of Companies with payment of additional fees. For instance, there has been delayed filing with respect to filing of the financial statements under the prescribed guidelines of Section 137 of the Companies Act, 2013 and filing of annual return under the prescribed guidelines of Section 92 of the Companies Act, 2013 for the Financial Year beginning 2015 upto Financial Year 2019-2020.

**56. *Our Company has failed to comply with the various provisions enumerated under Chapter VI of the Companies Act, 2013. Further certain discrepancies/ errors are noticed in some of our corporate records relating to forms filed with the Registrar of Companies and certain other provisions of Chapter VI of the Companies Act, 2013.***

There have been certain discrepancies including certain typographical, clerical and technical errors, noticed in some of our corporate records relating to the minutes, notices, resolutions, and/ or resultant e-forms filed with the Registrar of Companies in past years for the provisions of Chapter VI of the Companies Act, 2013. For instance, as per the minutes of the Board meeting it is mentioned that, the sanction letter was issued on November 11, 2018; however, it is noted that, the sanction letter was issued by SBI on November 03, 2011. Further, the company had applied for loan facility on Thursday, October 18, 2018; however, a board resolution is passed on a later date at Wednesday, December 26, 2018. As per e-form CHG-1, it is mentioned that, the director is authorized vide resolution no.4 dated December 26, 2018; however, as per the minutes

the said resolution bears reference no.3.

**57. *Our Company had failed to call, conduct and convene a general meeting of shareholders of our Company for the purpose of regularizing the appointed for our Company.***

Our Company had unintentionally failed to comply with the provisions enumerated under Section 152 of the Companies Act, 2013 by failing to call, conduct and convene a general meeting of the shareholders of our Company for the purpose of regularizing the directors appointed by the Board in the board meeting. Hence, it is imperative to note that, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

**58. *Our Company has appointed Pushpa Rajput and re-appointed Lokendra Rajput as directors of our Company in accordance with Section 160 of the Companies Act, 2013.***

As per the notification issued by Ministry of Corporate Affairs bearing reference number 'G.S.R. 464(E)' dated June 05, 2015, an exemption is provided to the private companies from complying with the provisions of Section 160 of the Companies Act, 2013. Regardless of the said exemption notification, our Company appointed Pushpa Rajput and re-appointed Lokendra Rajput, as directors of our Company in accordance with the provisions of Section 160 of the Companies Act, 2013. However, during the due process of appointment, our Company inadvertently failed to comply with the deposit provision specified in the aforesaid section, ultimately resulting in non-compliance with the said Section 160 of the Companies Act, 2013.

**59. *We are dependent on our Promoters, management team, a number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent on our Promoters, Directors, senior management and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. Experienced Promoters and senior management team with significant experience in the seed industry lead us. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel including our business heads for the day to day management of our business operations. We cannot assure that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

**60. *After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on the date of this Draft Prospectus, our Promoters and members of the Promoter Group held 99.9987% of the share capital of our Company, for details of their shareholding pre and post Issue, see the chapter titled '**Capital Structure**' beginning on page 67 of this Draft Prospectus. After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Upon listing of the Equity Shares on recognized stock exchanges, our Promoters shall continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. Further, some of our lenders require that our Promoters provide personal guarantees in order to secure debt availed by us. We cannot assure that our Promoters will be amenable to provide such security in future. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other

shareholders. We cannot assure that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoters in the Company, please see the section titled ***‘Our Promoters and Promoter Group’***, ***‘Our Management’*** and ***‘Restated Financial Statements’*** beginning on pages 173, 159 and 182 respectively.

**61. *Certain Promoters and Directors are interested in our Company’s performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their shareholding in our Company, their rights to nominate directors on our Board pursuant to such shareholding and interest received against a loan extended to us, amongst others. We cannot assure that our Promoters and Directors will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters or Directors may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the chapter titled ***‘Our Management’***, ***‘Our Promoters and Promoter Group’*** and ***‘Restated Financial Statements’*** beginning on pages 159, 173 and 182, respectively.

**62. *There are legal cases in which the parties have similar names with the Promoters and Directors of our Company, which are not associated with them.***

There are legal cases in which the parties have similar names with the Promoters and Directors of our Company. Company has received confirmation from them that they are not associated with those cases through an undertaking. Due to lack of information in public domain, the authenticity of the undertaking could not be verified. Therefore, any litigation may arise against them at a future date which could attract penalties and may divert their attention towards the litigation.

**63. *Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.***

Subsequent to conversion of our Company into Public Limited Company on January 15, 2021, we need to apply for change in name in all our registrations and statutory approvals which are in previous name of our Company. Further, Company has not renewed License to carry on the business of a dealer in seeds in Maharashtra under the Seeds (Control) Order, 1983. Any delay or failure to renew and change could have an adverse effect on our business and results of operations.

For further details, please refer to chapter titled ***‘Government and Other Approvals’*** beginning on page 225 of this Draft Prospectus.

**64. *Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.***

Our Company has entered into various transactions with our Directors, Promoters, Promoter Group and Group Company significantly influenced by the Directors of our Company. These transactions, inter-alia include issue of shares, interest, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, while it is our belief that all our related party transactions have been conducted on an arm’s length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to the annexure ***‘Restated Summary of Related Party Transactions’*** of the section titled ***‘Financial Information’*** and ***‘Capital Structure’*** beginning on pages 182 and 67, respectively, of this Draft Prospectus.

65. ***Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our cash flows basis for the periods indicated. We may in the future experience negative operating cash flows.

| Particulars                                     | Period ended<br>September 30,<br>2020 | Financial Years |           |           |
|-------------------------------------------------|---------------------------------------|-----------------|-----------|-----------|
|                                                 |                                       | 2019-2020       | 2018-2019 | 2018-2017 |
| Net Cash From / (Used In ) Operating Activities | 78.05                                 | 145.36          | (57.61)   | 91.93     |
| Net Cash From /(Used In ) Investing             | (112.72)                              | (168.91)        | (0.72)    | (16.93)   |
| Net Cash From Financing Activities (c)          | 327.96                                | 28.86           | 55.44     | (77.47)   |
| Net Increase / (Decrease) in Cash               | 293.30                                | 5.31            | (2.89)    | (2.46)    |

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, please refer to the section titled ***‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’*** beginning on page 205 of this Draft Prospectus.

66. ***Certain supporting documents in connection with the biographies of our Directors, Key Management Personnel and Promoters included in this Prospectus, are not available.***

Certain supporting documentation with respect to educational qualifications and prior work experience for some of our Directors, Key Management Personnel and our Promoters are not traceable. The information included in the section titled ***‘Our Management’*** and ***‘Our Promoters and Promoter Group’*** beginning on pages 159 and 173 respectively of this Draft Prospectus, respectively is based on the details provided by the respective Promoters and Directors. Further, for such information provided by the respective Directors, Key Management Personnel and Promoters, we have relied on personal undertakings given by them certifying the authenticity of the information provided. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

67. ***Any claims arising in the future relating to defective or low quality products could materially and adversely affect our business, financial condition, results of operations, reputation and prospects.***

Although our seeds undergo extensive quality checks, they may still contain defective or undesired characteristics that may be difficult to detect prior to their sale and use. Further, our seeds may be subject to contamination by external sources over which we may have little, if any, or no control. In particular, we have limited control of the handling and storage of our seed products once these products have been sold to our distributors, who in turn will on-sell the products to farmers. Any defects in our products, whether through our own fault or the fault of a third party, such as a distributor, could result in losses to farmers, which may include the value of lost crops and any claims for such losses could greatly exceed the value of the seeds that we sell, and could adversely affect our market reputation. Further, the Seeds Act 1966, the Seeds Rules 1968, and the Seeds (Control) Order 1983, prescribe stringent standards in relation to the quality and reliability of seeds, which are implemented and enforced by various central or state government authorities. Although we believe we take appropriate storage and handling precautions, our seeds are biological products which may deteriorate naturally over time as a result of natural biological processes. In the event the seeds sold by us or by our distributors are defective, contaminated or substandard for any reason, including due to human errors at any stage of seed processing or conditioning, a large number of farmers may experience crop failures and government or regulatory authorities, individual farmers and other representative groups may pursue claims or actions against us.

Further, irrespective of the quality of the seeds, farmers may attribute poor crop yields or crop failures to perceived seed defects that may not exist, which could still result in claims against us. In addition, farmers may pursue claims against us under the provisions of the Protection of Plant Varieties and Farmers’ Rights Act, 2001. Any claims, whether valid or not, could result in negative publicity, and prevent us from achieving increased sales and market share, and cause us to incur significant costs or suffer reputational harm, which could materially and adversely affect our business, financial condition, results of operations, reputation and prospects.



**68. *Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the Net Proceeds towards working capital requirement, general corporate purposes and for issue expenses as described in the section titled '**Objects of the Issue**' on page 81 of this Draft Prospectus. In terms of SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. Our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue, our business and financial results may suffer.

**69. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section '**Objects of the Issue**' beginning on page 81 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

## **EXTERNAL RISK FACTORS**

**70. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**71. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.***

Our Company is subject to various regulations and policies. For details see section titled '**Key Industry Regulations and Policies**' beginning on page 145 of this Draft Prospectus. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations and financial condition.

**72. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**73. *Significant portion of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

We derive significant portion of our revenue from operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**74. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows

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

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

**76. *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.***

Once listed, we would be subject to circuit breakers imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume 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.

**77. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares is [●]. This price is being based on numerous factors. For further information, please refer to the section titled '**Basis for Issue Price**' beginning on page 86 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below

the Issue Price. We cannot assure that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following;

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

***78. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

***79. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of NSE in a timely manner, or at all.***

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

***80. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

***81. Our Promoter will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest and will potentially allow them to determine the outcome of matters submitted to shareholders.***

As of the date of this Draft Prospectus, our Promoter Directors, holds 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company. Following completion of this Issue, our Promoter Directors, shall hold a significant percentage of our Equity Share capital. Our Promoter Directors will therefore have the ability to influence our operations including the ability to approve significant actions at Board and at shareholders' meetings such as issuing Equity Shares, paying dividends, and determining business plans and mergers and acquisitions strategies. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, please refer the section titled '*Capital Structure*' beginning on page 67 of this Draft Prospectus.

***82. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

We have not declared dividends on our Equity Shares since our incorporation. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer the section titled '**Dividend Policy**' beginning on page 181 of this Draft Prospectus.

**83. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019 prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Due to COVID -19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Further, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, 2020 ("Finance Act"), has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate. The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on the Company's business, financial condition and results of operations. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on

which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the sellers resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

**85. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**86. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application.***

Pursuant to the SEBI (ICDR) Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application. Retail Individual Investors can revise their Applications during the Issue Period and withdraw their Application until Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Issue Closing Date, events affecting the Applicant's decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Applicants' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**87. *Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers 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. For further details, please refer to the section titled

***‘Restrictions on Foreign Ownership of Indian Securities’*** beginning on page 298 of this Draft Prospectus. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, 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 will require a no objection or a tax clearance certificate from the income tax authority. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

***88. Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could impact our business, our future financial performance and the prices of the Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

#### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

|                                                                                                           |                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equity Shares Issued<sup>(1)</sup></b><br>Present Issue of Equity Shares by our Company <sup>(2)</sup> | Up to 10,88,000 (Ten Lakhs Eighty-Eight Thousand) equity shares of face value of ₹10.00/- each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs                                                           |
| <b>Of which</b>                                                                                           |                                                                                                                                                                                                                                 |
| <b>Issue reserved for Market Maker</b>                                                                    | Up to [●] equity shares of face value of ₹10.00/- (Rupees Ten Only) each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs                                                                                 |
| <b>Net Issue to the public</b>                                                                            | Up to [●] equity shares of face value of ₹10.00/- (Rupees Ten Only) each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs                                                                                 |
|                                                                                                           | <b>Of which<sup>(3)</sup></b>                                                                                                                                                                                                   |
|                                                                                                           | Up to [●] equity shares of face value of ₹10.00/- (Rupees Ten Only) each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs will be available for Investors of up to ₹2,00,000.00/- (Rupees Two Lakhs Only) |
|                                                                                                           | Up to [●] equity shares of face value of ₹10.00/- (Rupees Ten Only) each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs will be available for Investors above ₹2,00,000.00/- (Rupees Two Lakhs Only)    |
| <b>Equity Shares outstanding prior to this Issue</b>                                                      | 30,00,000 (Thirty Lakhs) equity shares of face value of ₹10.00/- each (Rupees Ten Only)                                                                                                                                         |
| <b>Equity Shares outstanding after this Issue</b>                                                         | Up to 40,88,000 (Forty Lakhs Eighty-Eight Thousand) equity shares of face value of ₹10.00/- each (Rupees Ten Only)                                                                                                              |
| <b>Objects of the Issue</b>                                                                               | Please refer the section titled ' <b>Objects of the Issue</b> ' beginning on page 81 of this Draft Prospectus.                                                                                                                  |

- (1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time. For further details, please see the section titled '**Issue Information**' beginning on page 243 of this Draft Prospectus;
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated February 08, 2021 and vide a special resolution passed under clause (c) of Sub-Section (1) of 62 of the Companies Act, 2013 at an Extra-ordinary general meeting of our shareholders held with a shorter notice on February 12, 2021;
- (3) The allocation is the Net Issue to the public category shall be made as per the requirements of Sub-Regulation (2) of Regulation 253 of the SEBI (ICDR) Regulations, as amended from time to time:
- a) Minimum 50.00% (Fifty Percent) to Retail Individual Investors; and
  - b) Remaining to:
    - (i) Individual applicants other than Retail Individual Investors; and
    - (ii) Other Investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

The unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to the Applicants in the other category.

If the Retail Individual Investor category is entitled to more than 50.00% (Fifty Percent) on proportionate basis, accordingly the Retail Individual Investor shall be allocated that higher percentage. For further details, please refer to the section titled '**Issue Structure**' beginning on page 249 of this Draft Prospectus.

## SUMMARY FINANCIAL STATEMENTS

The following tables set forth summary financial information is derived from Restated Financial Statements for the period ending September 30, 2020 and the Financial Year 2019-2020, 2018-2019 and 2017-2018. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations.

The summary financial information presented below should be read in conjunction with the sections and notes mentioned therein entitled under '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' and '**Restated Financial Statement**' beginning on page 205 and 182, respectively of this Draft Prospectus.

### Restated Summary Statement of Assets and Liabilities

(₹ in Lakhs)

| Particulars                        | Annex No. | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------------|-----------|--------------------------|----------------------|----------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |           |                          |                      |                      |                      |
| <b>1. Shareholders funds</b>       |           |                          |                      |                      |                      |
| (a) Share capital                  | 1         | 300.00                   | 133.00               | 133.00               | 61.00                |
| (b) Reserves and surplus           | 2         | 163.65                   | 87.85                | 48.48                | 28.83                |
| <b>2. Non-current liabilities</b>  |           |                          |                      |                      |                      |
| (a) Long-term borrowings           | 3         | 289.40                   | 77.00                | 0.00                 | 0.00                 |
| (b) Deferred tax liabilities (Net) | 4         | 9.03                     | 5.42                 | 2.20                 | 1.80                 |
| <b>3. Current liabilities</b>      |           |                          |                      |                      |                      |
| (a) Short-term borrowings          | 5         | 913.94                   | 813.47               | 105.83               | 136.88               |
| (b) Trade payables                 | 6         | 343.63                   | 78.81                | 94.63                | 72.58                |
| (c) Short-term provisions          | 7         | 24.17                    | 2.01                 | 0.81                 | 6.22                 |
| (d) Other current liabilities      | 8         | 1423.41                  | 1377.56              | 478.38               | 6.79                 |
| <b>TOTAL</b>                       |           | <b>3467.23</b>           | <b>2575.12</b>       | <b>863.32</b>        | <b>314.10</b>        |
| <b>II. ASSETS</b>                  |           |                          |                      |                      |                      |
| <b>1. Non-current assets</b>       |           |                          |                      |                      |                      |
| (a) Property, Plant and Equipment  |           |                          |                      |                      |                      |
| Tangible Assets                    | 9         | 323.34                   | 216.40               | 51.31                | 55.07                |
| Intangible Assets                  | 9         | 0.36                     | 0.41                 | 0.00                 | 0.00                 |
| (b) Long-term loans and advances   |           | 1.57                     | 0.00                 | 0.00                 | 0.00                 |
| <b>2. Current assets</b>           |           |                          |                      |                      |                      |
| (a) Inventories                    | 10        | 1483.28                  | 1067.51              | 576.49               | 182.05               |
| (b) Trade receivables              | 11        | 217.36                   | 143.63               | 164.06               | 68.35                |
| (c) Cash & cash equivalents        | 12        | 302.81                   | 9.50                 | 4.20                 | 7.09                 |



|                                  |    |                |                |               |               |
|----------------------------------|----|----------------|----------------|---------------|---------------|
| (d) Short term loan and advances | 13 | 1086.46        | 1113.09        | 45.84         | 0.34          |
| (e) Other Current Assets         | 14 | 52.06          | 24.57          | 21.43         | 1.21          |
| <b>TOTAL</b>                     |    | <b>3467.23</b> | <b>2575.12</b> | <b>863.32</b> | <b>314.10</b> |

### Restated Summary Statement of Profit and Losses

(₹ in Lakhs)

| Particulars                                                                    |    | Period ended<br>September 30,<br>2020 | Year Ended March 31,<br>2020 | Year Ended March<br>31,2019 | Year Ended March<br>31,2018 |
|--------------------------------------------------------------------------------|----|---------------------------------------|------------------------------|-----------------------------|-----------------------------|
| I.Revenue from operations                                                      | 15 | 5325.04                               | 5056.05                      | 1999.83                     | 2313.04                     |
| II.Other income                                                                | 16 | 4.18                                  | 5.23                         | 0.44                        | 0.46                        |
| <b>III. Total Revenue (I + II)</b>                                             |    | <b>5329.23</b>                        | <b>5061.29</b>               | <b>2000.28</b>              | <b>2313.50</b>              |
| IV. Expenses:                                                                  |    |                                       |                              |                             |                             |
| Cost of Material Consumed                                                      |    | 4830.93                               | 4912.71                      | 1976.78                     | 1749.76                     |
| Changes in inventories of finished goods                                       | 17 | (415.77)                              | (491.02)                     | (394.44)                    | 160.95                      |
| Employee benefits expense                                                      | 18 | 66.07                                 | 90.14                        | 63.33                       | 61.99                       |
| Finance costs                                                                  | 19 | 51.44                                 | 48.14                        | 16.56                       | 20.27                       |
| Depreciation and amortization expense                                          |    | 5.83                                  | 3.40                         | 4.48                        | 4.53                        |
| Other expenses                                                                 | 20 | 688.21                                | 444.68                       | 306.86                      | 294.04                      |
| <b>Total expenses</b>                                                          |    | <b>5226.72</b>                        | <b>5008.06</b>               | <b>1973.57</b>              | <b>2291.54</b>              |
| <b>V. Profit before exceptional and</b>                                        |    | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| VI. Exceptional items                                                          |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| <b>VII. Profit before extraordinary items</b>                                  |    | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| VIII. Extraordinary Items-                                                     |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| <b>IX. Profit before tax (VII- VIII)</b>                                       |    | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| X. Tax expense:                                                                |    |                                       |                              |                             |                             |
| (1) Current tax                                                                |    | 23.10                                 | 10.59                        | 6.54                        | 5.69                        |
| (2) Deferred tax                                                               |    | 3.61                                  | 3.22                         | 0.40                        | (0.32)                      |
| (3) Interest on Income Tax                                                     |    | 0.00                                  | 0.05                         | 0.12                        | 0.49                        |
| <b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>  |    | 75.80                                 | 39.37                        | 19.65                       | 16.10                       |
| XII. Profit/(loss) from discontinuing                                          |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| XIII. Tax expense of discontinuing                                             |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| <b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b> |    |                                       |                              |                             |                             |
| <b>XV. Profit (Loss) for the period (XI + XIV)</b>                             |    | <b>75.80</b>                          | <b>39.37</b>                 | <b>19.65</b>                | <b>16.10</b>                |

|                                |  |      |      |      |      |
|--------------------------------|--|------|------|------|------|
| XVI Earnings per equity share: |  |      |      |      |      |
| (1) Basic                      |  | 3.03 | 2.96 | 1.53 | 2.64 |
| (2) Diluted                    |  | 3.03 | 2.96 | 1.53 | 2.64 |

### Restated Summary Statement of Cash Flows

(₹ in Lakhs)

| Particulars                                           |  | Period ended<br>September 30,<br>2020 | Year Ended March 31,<br>2020 | Year Ended March<br>31,2019 | Year Ended March<br>31,2018 |
|-------------------------------------------------------|--|---------------------------------------|------------------------------|-----------------------------|-----------------------------|
| <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>     |  |                                       |                              |                             |                             |
| Restated Net profit Before Tax and                    |  | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| <b>Adjustments For:</b>                               |  |                                       |                              |                             |                             |
| Depreciation                                          |  | 5.83                                  | 3.40                         | 4.48                        | 4.53                        |
| Finance Cost                                          |  | 51.44                                 | 48.14                        | 16.56                       | 20.27                       |
| <b>Operating Profit before working Capital</b>        |  | <b>159.78</b>                         | <b>104.77</b>                | <b>47.75</b>                | <b>46.76</b>                |
| <b>Adjustment For:</b>                                |  |                                       |                              |                             |                             |
| Decrease/(Increase) in Inventories                    |  | (415.77)                              | (491.02)                     | (394.44)                    | 160.95                      |
| Decrease/(Increase) in Trade receivables              |  | (73.73)                               | 20.43                        | (95.71)                     | (4.79)                      |
| Decrease/(Increase) in short term loans & Advances    |  | 26.64                                 | (1067.25)                    | (45.50)                     | 0.19                        |
| Decrease/(Increase) in Other Current Assets           |  | (27.48)                               | (3.15)                       | (20.22)                     | 0.35                        |
| Long term Deposits                                    |  | (1.57)                                | 0.00                         | 0.00                        | 0.00                        |
| (Decrease)/Increase in Short- term borrowings         |  | 100.47                                | 707.64                       | (31.05)                     | (52.90)                     |
| (Decrease)/Increase in Trade Payables                 |  | 264.82                                | (15.82)                      | 22.04                       | (62.31)                     |
| (Decrease)/Increase in Other current liabilities      |  | 22.16                                 | 1.20                         | (5.41)                      | 4.97                        |
| (Decrease)/Increase in Short-term Provisions          |  | 45.85                                 | 899.18                       | 471.59                      | 4.88                        |
| <b>Cash Generated from Operations</b>                 |  | <b>101.15</b>                         | <b>155.99</b>                | <b>(50.95)</b>              | <b>98.12</b>                |
| Taxes Paid                                            |  | (23.10)                               | (10.63)                      | (6.66)                      | (6.18)                      |
| <b>Net Cash From /(Used In ) Operating Activities</b> |  | <b>78.05</b>                          | <b>145.36</b>                | <b>(57.61)</b>              | <b>91.93</b>                |
| <b>Cash Flow From Investing Activities</b>            |  |                                       |                              |                             |                             |
| (Purchase)/ Sale Of Fixed Assets                      |  | (112.72)                              | (168.91)                     | (0.72)                      | (16.93)                     |
| Decrease/ (Increase) in Non Current investments       |  | 0                                     | 0.00                         | 0.00                        | 0.00                        |
| <b>Net Cash From /(Used In ) Investing</b>            |  | <b>(112.72)</b>                       | <b>(168.91)</b>              | <b>(0.72)</b>               | <b>(16.93)</b>              |
| <b>Cash Flow From Financing Activities</b>            |  |                                       |                              |                             |                             |
| Proceeds from Issue of Shares                         |  | 167.00                                | 0.00                         | 72.00                       | 0.00                        |
| Repayment of loans                                    |  | 0                                     | 0.00                         | 0.00                        | (57.20)                     |
| Proceeds from loans                                   |  | 212.40                                | 77.00                        | 0.00                        | 0.00                        |
| Interest and Finance Charges                          |  | (51.44)                               | (48.14)                      | (16.56)                     | (20.27)                     |
| <b>Net Cash From Financing Activities (c)</b>         |  | <b>327.96</b>                         | <b>28.86</b>                 | <b>55.44</b>                | <b>(77.47)</b>              |

|                                                   |  |        |      |        |        |
|---------------------------------------------------|--|--------|------|--------|--------|
| <b>Net Increase / (Decrease) in Cash</b>          |  | 293.30 | 5.31 | (2.89) | (2.46) |
| <b>Cash and Cash equivalents at the beginning</b> |  | 9.50   | 4.20 | 7.09   | 9.55   |
| <b>Cash and Cash equivalents at the end</b>       |  | 302.81 | 9.50 | 4.20   | 7.09   |

**NOTE**

The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I, II, and IV (A) respectively.

## SECTION V – GENERAL INFORMATION

Our Company was incorporated as ‘Vardaan Biotech Private Limited’ pursuant to a Certificate of Incorporation dated December 20, 2007 issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh, as a private company under the provisions of the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of our Company was changed from ‘Vardaan Biotech Private Limited’ to ‘Vardaan Biotech Limited’ vide special resolution passed by the shareholders of the Company at an extraordinary general meeting held on January 05, 2021 and a fresh certificate of incorporation dated January 15, 2021 was issued by Registrar of Companies, Gwalior. The Corporate Identification Number of our Company is U15495MP2007PLC020132.

For details of changes in name and registered offices of our Company, please refer to the section titled **‘History and Certain Other Corporate matters’** beginning on page 154 of this Draft Prospectus.

### BRIEF INFORMATION OF OUR COMPANY AND THE ISSUE

#### Registered Office of our Company

|                           |   |                                                                            |
|---------------------------|---|----------------------------------------------------------------------------|
| CIN                       | : | U15495MP2007PLC020132                                                      |
| Registration Number       | : | 020132                                                                     |
| Date of incorporation     | : | December 20, 2007                                                          |
| Registered Office Address | : | C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India |
| Company Category          | : | Company limited by Shares                                                  |
| Company Sub Category      | : | Non-Government company                                                     |
| Telephone number          | : | +91-734-2525903                                                            |
| Fax number                | : | Not Applicable                                                             |
| Email-ID                  | : | <a href="mailto:vardaanipo@gmail.com">vardaanipo@gmail.com</a>             |
| Website                   | : | <a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>         |

#### Corporate Office of our Company

|                          |   |                                                                                                         |
|--------------------------|---|---------------------------------------------------------------------------------------------------------|
| Corporate Office Address | : | Plot No. 312, KLR Venture, Medchal, Medchal–Malkajgiri District, Hyderabad – 501 401, Telangana, India; |
| Telephone number         | : | +91-734-2525903                                                                                         |
| Fax number               | : | Not Applicable                                                                                          |
| Email-ID                 | : | <a href="mailto:vardaanipo@gmail.com">vardaanipo@gmail.com</a>                                          |
| Website                  | : | <a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>                                      |

#### Registrar of Companies

|                  |   |                                                                                                                      |
|------------------|---|----------------------------------------------------------------------------------------------------------------------|
| Address          | : | Registrar of Companies, Gwalior, 3rd Floor, ‘A’ Block, Sanjay Complex Jayendra Ganj, Gwalior, Madhya Pradesh, India. |
| Telephone number | : | +91-0751-2321907                                                                                                     |
| Fax number       | : | +91-0751-2331853                                                                                                     |
| Email-ID         | : | <a href="mailto:roc.gwalior@mca.gov.in">roc.gwalior@mca.gov.in</a>                                                   |
| Website          | : | <a href="http://www.mca.gov.in">http://www.mca.gov.in</a>                                                            |

#### Designated Stock Exchange

Our Company proposed to list its Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited located at Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (E) Mumbai - 400051, Maharashtra, India.

#### Issue Information

|                    |   |     |
|--------------------|---|-----|
| Issue Opening Date | : | [●] |
| Issue Closing Date | : | [●] |

## BOARD OF DIRECTORS OF OUR COMPANY

Our Company's Board comprises of the following Directors:

| Name            | DIN      | Age      | Designation                    | Residential Address                                                                                    |
|-----------------|----------|----------|--------------------------------|--------------------------------------------------------------------------------------------------------|
| Lokendra Rajput | 01801160 | 43 years | Chairman and Managing Director | A-9/14, Basant Vihar, Indore Road, Ujjain – 456 010, Madhya Pradesh, India                             |
| Rashmi Rajput   | 01806022 | 44 years | Executive Director             | A-9/14, Basant Vihar Colony, Ujjain – 456 010, Madhya Pradesh, India                                   |
| Pushpa Rajput   | 08122272 | 62 years | Non-Executive Director         | Purani Housing Board Colony, Morena – 476 001, Madhya Pradesh, India                                   |
| Mithun Bhatt    | 07299895 | 39 years | Independent Director           | 4 Gola Mandi, Yogeshwar Krishna Bhawan, Ujjain – 456 001, Madhya Pradesh, India                        |
| Avinash Khare   | 06669669 | 38 years | Independent Director           | 10/914, Arun Nagar, Anantpur Rewa, Alpa Aya Warg Society, Huzur, Rewa – 486 002, Madhya Pradesh, India |

For further details of the Board of Directors, please refer to the section titled '*Our Management*' beginning on page 159 of this Draft Prospectus.

### Company Secretary and Compliance Officer

|                  |   |                                                                            |
|------------------|---|----------------------------------------------------------------------------|
| Name             | : | Srishti Jain                                                               |
| Address          | : | C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India |
| Telephone number | : | +91-734-2525903                                                            |
| Email-ID         | : | <a href="mailto:vardaanipo@gmail.com">vardaanipo@gmail.com</a>             |
| Website          | : | <a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>         |

### Chief Financial Officer

|                  |   |                                                                            |
|------------------|---|----------------------------------------------------------------------------|
| Name             | : | Lakhan Jaiswal                                                             |
| Address          | : | C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India |
| Telephone number | : | +91-734-2525903                                                            |
| Email-ID         | : | <a href="mailto:vardaanipo@gmail.com">vardaanipo@gmail.com</a>             |
| Website          | : | <a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>         |

**Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account or refund orders, and/ or non-receipt of funds by electronic mode, etc.**

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Application was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe, quoting the full name of the sole or first Applicant, Application Form number, address of the Applicant, Applicant's DP-ID, Client-ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the Depository Participant, as the case may be, where the Application was submitted, and the ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to Applications submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lead Manager to the Issue</b><br><b>CapitalSquare Advisors Private Limited</b><br>208, 2 <sup>nd</sup> Floor, AARPEE Centre, MIDC Road No:11,<br>Andheri (East), Mumbai – 400093, Maharashtra, India.<br><b>Telephone No.:</b> +91 98742 83532/ +022-6684 9999<br><b>Fax No.:</b> 022-6684 9998<br><b>Email-ID:</b> <a href="mailto:tanmoy.banerjee@capitalsquare.in/">tanmoy.banerjee@capitalsquare.in/</a><br><a href="mailto:mb@capitalsquare.in">mb@capitalsquare.in</a><br><b>Website:</b> <a href="http://www.capitalsquare.com">www.capitalsquare.com</a><br><b>SEBI Registration No.:</b> INM000012219<br><b>Contact Person:</b> Mr. Tanmoy Banerjee | <b>Legal Advisor to the Issue</b><br><b>MMJB &amp; Associates LLP, Company Secretaries</b><br>Ecstasy, 803/804, 9th Floor, City of Joy, J.S.D Road,<br>Mulund (West), Mumbai – 400080, Maharashtra,<br>India.<br><b>Telephone No.:</b> (022) 21678100<br><b>Email-ID:</b> <a href="mailto:artiahuja@mmjc.in">artiahuja@mmjc.in</a><br><b>Website:</b> <a href="http://www.mmjcadvisory.com">www.mmjcadvisory.com</a><br><b>Contact Person:</b> Ms. Bhavisha Jewani      |
| <b>Registrar to the Issue</b><br><b>Purva Sharegistry (India) Private Limited</b><br>9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,<br>Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai<br>– 400011, Maharashtra, India<br><b>Telephone No.:</b> 022 2301 2518 / 8261<br><b>Email-ID:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a><br><b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a><br><b>Contact Person:</b> Mr. Rajesh Shah/ Ms. Purva Shah/<br>Ms. Deepali Dhuri<br><b>SEBI Registration No.:</b> INR000001112                                                                              | <b>Statutory and Peer Review Auditors to the Company*</b><br><b>S.K.Khandelwal &amp; Associates</b><br><b>Chartered Accountants</b><br>211, Royal Ratan, 7, M.G. Road, Indore – 452 001,<br>Madhya Pradesh, India<br><b>Telephone No.:</b> 0731- 2523373/4044666<br><b>Email-ID:</b> <a href="mailto:ca.shubhamk@gmail.com">ca.shubhamk@gmail.com</a><br><b>Contact Person:</b> S.K. Khandelwal<br><b>Firm Registration:</b> 002305C<br><b>Membership Number:</b> 71189 |
| <b>Banker to the Company</b><br><b>Axis Bank</b><br>Agri Business Centre, 3 <sup>rd</sup> Floor, Ranka Mansion, Y.N<br>Road, Indore – 452003, Madhya Pradesh, India.<br><b>Telephone No.:</b> 0731-4282276, 4282240<br><b>Email-ID:</b> <a href="mailto:girish.koliyote@axisbank.com">girish.koliyote@axisbank.com</a><br><b>Website:</b> <a href="https://www.axisbank.com/">https://www.axisbank.com/</a><br><b>Contact Person:</b> Area Operation Manager –<br>Pushpesh Sijeriya                                                                                                                                                                             | <b>Banker to the Company</b><br><b>ICICI Bank</b><br>[●]<br><b>Telephone No:</b> [●]<br><b>Fax No:</b> [●]<br><b>Email-ID:</b> [●]<br><b>Website:</b> [●]<br><b>Contact Person:</b> [●]                                                                                                                                                                                                                                                                                 |
| <b>Banker to the Company</b><br><b>Bank of Baroda</b><br>[●]<br><b>Telephone No.:</b> [●]<br><b>Fax No:</b> [●]<br><b>Email-ID:</b> [●]<br><b>Website:</b> [●]<br><b>Contact Person:</b> [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Banker to the Issue/ Public Issue Bank/ Refund Banker#</b><br>[●]<br>[●]<br><b>Telephone No:</b> [●]<br><b>Fax No:</b> [●]<br><b>Email-ID:</b> [●]<br><b>Website:</b> [●]<br><b>Contact Person:</b> [●]                                                                                                                                                                                                                                                              |

\* S.K. Khandelwal & Associates, Chartered Accountant is a peer review auditor of our Company in compliance with section 11 of part A of Schedule VI of SEBI (ICDR) Regulations and hold a valid peer review certificate number '012677' dated December 23, 2020 issued by the 'Peer Review Board' of the ICAI.

# To be appointed before the Issue Opening Date.

## CHANGES IN THE AUDITORS OF OUR COMPANY

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

| Particulars of previous Auditor                                                                                       | Particulars of new Auditor                                                                                                                           | Effective Date       | Reason                                    |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------|
| <b>Ankur Goyal And Company</b><br><b>Chartered Accountants</b><br>'Nandan' First Floor, L.M.<br>Complex, Tower Chowk, | <b>S.K.Khandelwal &amp; Associates</b><br><b>Chartered Accountants</b><br>211, Royal Ratan, 7, M.G. Road, Indore –<br>452 001, Madhya Pradesh, India | November<br>27, 2020 | Auditor<br>appointed in<br>casual vacancy |

| Particulars of previous Auditor                                                                                                                                                                                                                                                                                            | Particulars of new Auditor                                                                                                                                                                                                                                                                                                                                                                           | Effective Date | Reason |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------|
| Ujjain – 456010, Madhya Pradesh, India<br><b>Telephone No.:</b> 0734 2560313/ 9425195511<br><b>Email-ID:</b> <a href="mailto:caankurgoyal@gmail.com">caankurgoyal@gmail.com</a> /<br><a href="mailto:goyalandco@gmail.com">goyalandco@gmail.com</a><br><b>Contact Person:</b> Ankur Goyal<br><b>Membership No.:</b> 401685 | <b>Telephone No.:</b> 0731- 2523373/ 4044666<br><b>Email-ID:</b> <a href="mailto:cashubhamk@gmail.com">cashubhamk@gmail.com</a><br><b>Website:</b> <a href="http://www.skkca.com/index.php">http://www.skkca.com/index.php</a><br><b>Contact Person:</b> S. K. Khandelwal<br><b>Firm Registration No.:</b> 002305C<br><b>Membership No.:</b> 071189<br><b>Peer Review Certificate Number:</b> 012677 |                |        |

## STATEMENT OF *INTER SE* ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE

CapitalSquare Advisors Private Limited is the sole Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks (SCSBs)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

### Registered Broker

Investors can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and email address, is provided on the websites of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### Registrar to the Issue and Share Transfer Agent

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time

### Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchanges, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

## CREDIT RATING

As the Issue is of Equity Shares, credit rating is not required.

## DEBENTURE TRUSTEES

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

## IPO GRADING

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

#### **MONITORING AGENCY**

As per Sub-Regulation (1) of Regulation 262 of the SEBI (ICDR) Regulations, the requirement of monitoring agency is not mandatory if the Issue size, is below ₹10,000 Lakhs. Since the Issue size is only of ₹[●] Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **APPRAISING ENTITY**

None of the objects of the issue for which the Net Proceeds will be utilised have been appraised by any agency.

#### **EXPERT OPINION**

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

Our Company has received written consent dated February 10, 2021, from the Statutory Auditors namely, S.K. Khandelwal & Associates, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements, dated February 10, 2021, and the statement of possible special tax benefits dated February 16, 2021, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

#### **FILING OF DRAFT PROSPECTUS AND PROSPECTUS**

The Draft Prospectus shall be filed with SEBI, nor has SEBI issued any observation on the Draft Prospectus in terms of Regulation 246 of SEBI (ICDR) Regulations. However, pursuant to Sub-Regulation (5) of Regulation 246 of SEBI (ICDR) Regulations, the copy of Draft Prospectus shall also be furnished to SEBI in a soft copy. Pursuant to SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and the Prospectus will be filed online through SEBI Intermediary Portal at [www.sebi.gov.in](http://www.sebi.gov.in).

A copy of the Prospectus along with the due diligence certificate including additional documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Gwalior, Ministry of Corporate Affairs, A Block, Sanjay Complex, 3rd Floor, Jayendra Ganj, Gwalior, India.

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, and through the Fixed Price Process wherein 50.00% (Fifty Percent) of the Net Issue to public is being offered to the Retail Individual Investors and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants.

However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price. Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors category where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository account, including the DP ID



Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications 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 are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

| Event                                                                 | Indicative Date |
|-----------------------------------------------------------------------|-----------------|
| Issue Opening Date                                                    | [●]             |
| Issue Closing Date                                                    | [●]             |
| Finalization of Basis of Allotment with the Designated Stock Exchange | [●]             |
| Unblocking of Funds                                                   | [●]             |
| Credit of Equity Shares to demat accounts of Allottees                | [●]             |
| Commencement of trading of the Equity Shares on the Stock Exchange    | [●]             |

## UNDERWRITING

In terms of Sub-Regulation (1) of Regulation 260 of the SEBI (ICDR) Regulations, the initial public offer shall be underwritten for 100.00% (Hundred Percent) of the Issue and shall not be restricted upto the minimum subscription level; and as per Sub-Regulation (2) of Regulation 260, the lead manager shall underwrite at least 15.00% (Fifteen Percent) of the Issue Size on their own account(s).

In pursuance of the underwriting agreement dated [●] entered between our Company and Lead Manager, this Issue is 100.00% (Hundred Percent) underwritten by the Underwriter CapitalSquare Advisors Private Limited, obligations of the Underwriters are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of Equity Shares being offered through this Issue.

| Details of Underwriter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Indicated number of Equity Shares to be Underwritten | Amount Underwritten | % of the total Issue size Underwritten |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------|----------------------------------------|
| <b>CapitalSquare Advisors Private Limited</b><br>208, 2 <sup>nd</sup> Floor, AARPEE Centre, MIDC Road No:11, Andheri (East), Mumbai – 400 093, Maharashtra, India.<br><b>Tel. No.:</b> +91 98742 83532/ +022-6684 9999<br><b>Fax No :</b> 022-6684 9998<br><b>Email:</b> <a href="mailto:tanmoy.banerjee@capitalsquare.in">tanmoy.banerjee@capitalsquare.in</a> /<br><a href="mailto:mb@capitalsquare.in">mb@capitalsquare.in</a><br><b>Website:</b> <a href="http://www.capitalsquare.com">www.capitalsquare.com</a><br><b>SEBI Registration No:</b> INM000012219 | 10,88,000                                            | [●]                 | [●]                                    |

As per Sub-Regulation (2) of Regulation 260 of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the board meeting for Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two working days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Banks, as applicable, to unblock the bank accounts of the ASBA Applicants within one day

of receipt of such notification. Our Company shall promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue at any stage including after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

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

Our Company, Market Maker and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this Issue:

|                                 |   |     |
|---------------------------------|---|-----|
| <b>Name</b>                     | : | [●] |
| <b>Address</b>                  | : | [●] |
| <b>Telephone Number</b>         | : | [●] |
| <b>E-mail</b>                   | : | [●] |
| <b>Contact Person</b>           | : | [●] |
| <b>SEBI Registration Number</b> | : | [●] |

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

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

- 1) The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75.00% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
- 2) The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time and the same shall be updated in the Draft Prospectus.
- 3) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE EMERGE platform of the NSE and SEBI from time to time.
- 4) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 5) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE Platform (in this case currently the minimum trading lot size is [●] Equity Shares; however, the same may be changed by the NSE EMERGE Platform of NSE from time to time).
- 6) The Market Maker shall be required to provide a 2-way quote for 75.00% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker (s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker (s).
- 7) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25.00% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25.00% of Issue Size would not be taken in to consideration of computing the threshold of 25.00% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24.00% of Issue Size, the Market Maker will resume providing two (2) way

quotes.

- 8) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 9) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 10) There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 11) On the first day of the listing, there will be pre the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 12) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 13) The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI (ICDR) Regulations 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

**14) Risk containment measures and monitoring for Market Makers:**

NSE EMERGE platform of the NSE Limited will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

**15) Price Band and Spreads:**

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the NSEEMERGE platform of the NSE.

| Market Price Slab | Proposed spread (in % to sale price) |
|-------------------|--------------------------------------|
| Up to ₹50         | 9                                    |
| ₹50 to ₹75        | 8                                    |
| ₹75 to ₹100       | 6                                    |
| Above ₹100        | 5                                    |

**16) Punitive Action in case of default by Market Makers:**

NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (Issuing two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

- 18) All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## SECTION VI – CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Prospectus is set forth below:

| (₹ in Lakhs, except share data) |                                                                                                                                                                                                           |                               |                                 |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------|
|                                 |                                                                                                                                                                                                           | Aggregate value at face value | Aggregate value at Issue Price* |
| <b>A.</b>                       | <b>AUTHORIZED SHARE CAPITAL</b>                                                                                                                                                                           |                               |                                 |
|                                 | 50,00,000 equity shares of face value of ₹10.00/- each                                                                                                                                                    | 500.00                        |                                 |
| <b>B.</b>                       | <b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>                                                                                                                                      |                               |                                 |
|                                 | 30,00,000 equity shares of face value of ₹10.00/- each                                                                                                                                                    | 300.00                        |                                 |
| <b>C.</b>                       | <b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>                                                                                                                                                    |                               |                                 |
|                                 | Issue of up to 10,88,000 equity shares of face value of ₹10.00/- each for cash at a price of ₹[●] per Equity Share <sup>(1)</sup>                                                                         | 408.80                        | [●]                             |
|                                 | <b>Which comprises of:</b>                                                                                                                                                                                |                               |                                 |
|                                 | <b>Reservation for Market Maker portion</b>                                                                                                                                                               |                               |                                 |
|                                 | [●] equity shares of face value of ₹10.00/- each at a premium of ₹[●]/- per Equity Share reserved as Market Maker Portion                                                                                 | [●]                           | [●]                             |
|                                 | <b>Net Issue to the Public</b>                                                                                                                                                                            |                               |                                 |
|                                 | [●] equity shares of face value of ₹10.00/- each at a premium of ₹[●]/- per Equity Share                                                                                                                  | [●]                           | [●]                             |
| #                               | <b>Of which:</b>                                                                                                                                                                                          |                               |                                 |
|                                 | [●] equity shares of face value of ₹10.00/- each at a premium of ₹[●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2,00,000.00/-              | [●]                           | [●]                             |
|                                 | [●] equity shares of face value of ₹10.00/- each at a premium of ₹[●]/- per Equity Share will be available for allocation for allotment to Other than Retail Individual Investors of above ₹2,00,000.00/- | [●]                           | [●]                             |
| <b>D.</b>                       | <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>                                                                                                                                             |                               |                                 |
|                                 | Upto 40,88,000 equity shares of face value of ₹10.00/- each                                                                                                                                               | [●]                           | [●]                             |
| <b>E.</b>                       | <b>SECURITIES PREMIUM ACCOUNT</b>                                                                                                                                                                         |                               |                                 |
|                                 | Before the Issue (as on date of this Draft Prospectus)                                                                                                                                                    |                               | Nil                             |
|                                 | After the Issue                                                                                                                                                                                           |                               | [●]                             |

\*To be updated upon finalization of the Issue Price;

# Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. For detailed information on the Net Issue and its allocation various categories, please refer to the section titled 'Issue Information' beginning on page 243 of this Draft Prospectus.

<sup>(1)</sup> This Issue has been authorised by our Board vide resolution dated February 08, 2021 which is subsequently approved by our Shareholders vide special resolution passed under clause (c) of sub-section (1) of Section 62 of Companies Act, 2013 at an extra-ordinary general meeting dated February 12, 2021.

### CLASS OF SHARES

As on date of this Draft Prospectus, our Company has only one class of shares, namely being, equity shares having face value of ₹10.00/- (Rupees Ten Only) each only, ranking pari-passu in all respect.

All the Equity Shares of our Company issued are fully paid-up as on the date of this Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

## NOTES TO CAPITAL STRUCTURE

### 1. Changes in the authorized share capital of Our Company

| Sr. No. | Date of Shareholder s' approval | EGM/AGM                                               | Authorized Share Capital | Details of amendment                                                                                                                                                                                                               |
|---------|---------------------------------|-------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)     | December 20, 2007               | Initial subscription to the Memorandum of Association | ₹1,00,000.00             | Incorporated with an authorized share capital of ₹1,00,000.00 comprising of 10,000 equity shares of face value ₹10.00/- each.                                                                                                      |
| (ii)    | March 10, 2014                  | Extra-Ordinary General Meeting                        | ₹21,00,000.00            | The authorized share capital was increased from ₹1,00,000.00 comprising of 10,000 equity shares of face value of ₹10.00/- each to ₹21,00,000.00 comprising of 2,10,000 equity shares of face value of ₹10.00/- each                |
| (iii)   | December 8, 2014                | Extra-Ordinary General Meeting                        | ₹61,00,000.00            | The authorized share capital was increased from ₹21,00,000.00 comprising of 2,10,000 equity shares of face value of ₹10.00/- each to ₹61,00,000.00 comprising of 6,10,000 equity shares of face value of ₹10.00/- each             |
| (iv)    | February 19, 2018               | Extra-Ordinary General Meeting                        | ₹1,01,00,000.00          | The authorized share capital was increased from ₹61,00,000.00 comprising of 6,10,000 equity shares of face value of ₹10.00/- each to ₹1,01,00,000.00 comprising of 10,10,000 equity shares of face value of ₹10.00/- each.         |
| (v)     | May 24, 2018                    | Extra-Ordinary General Meeting                        | ₹1,51,00,000.00          | The authorized share capital was increased from ₹1,01,00,000.00 comprising of 10,10,000 equity shares of face value of ₹10.00/- each to ₹1,51,00,000.00 comprising of 15,10,000 equity shares of face value of ₹10.00/- each.      |
| (vi)    | February 24, 2020               | Extra-Ordinary General Meeting                        | ₹3,00,00,000.00          | The authorized share capital was increased from ₹1,51,00,000.00 comprising of 15,10,000 equity shares of face value of ₹10.00/- each to ₹3,00,00,000.00 comprising of 30,00,000.00 equity shares of face value of ₹10.00/- each    |
| (vii)   | November 23, 2020               | Extra-Ordinary General Meeting                        | ₹4,00,00,000.00          | The authorized share capital was increased from ₹3,00,00,000.00 comprising of 30,00,000.00 equity shares of face value of ₹10.00/- each to ₹4,00,00,000.00 comprising of 40,00,000.00 equity shares of face value of ₹10.00/- each |
| (viii)  | February 03, 2021               | Extra-Ordinary General Meeting                        | ₹5,00,00,000.00          | The authorized share capital was increased from ₹4,00,00,000.00 comprising of 40,00,000.00 equity shares of face value of ₹10.00/- each to ₹5,00,00,000.00 comprising of 50,00,000.00 equity shares of face value of ₹10.00/- each |

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

The following table sets forth the history of the Equity Share capital of our Company:

| Date of Allotment/<br>Date of Shareholder's Resolution | Reason/<br>Nature of Allotment                                       | No. of Equity Shares allotted | Cumulative No. of equity shares | Face value per equity share | Issue price per Equity Share | Form of consideration |
|--------------------------------------------------------|----------------------------------------------------------------------|-------------------------------|---------------------------------|-----------------------------|------------------------------|-----------------------|
| December 20, 2007                                      | Initial subscription to the Memorandum of Association <sup>(1)</sup> | 10,000                        | -                               | ₹10.00                      | ₹10.00                       | Cash                  |
| March 20, 2014                                         | Preferential allotment <sup>(2)</sup>                                | 2,00,000                      | 2,10,000                        | ₹10.00                      | ₹10.00                       | Cash                  |
| December 08, 2014                                      | Right Issue <sup>(3)</sup>                                           | 4,00,000                      | 6,10,000                        | ₹10.00                      | ₹10.00                       | Cash                  |
| May 24, 2018                                           | Preferential allotment <sup>(4)</sup>                                | 7,20,000                      | 13,30,000                       | ₹10.00                      | ₹10.00                       | Cash                  |
| May 22, 2020                                           | Right Issue <sup>(5)</sup>                                           | 1,94,186                      | 15,24,186                       | ₹10.00                      | ₹86.00                       | Cash                  |
| May 25, 2020                                           | Bonus Issue <sup>(6)</sup>                                           | 14,75,814                     | 30,00,000                       | ₹10.00                      | NA                           | NA                    |

**Notes to the Capital Structure**

- <sup>(1)</sup> Initial subscription to Memorandum of Association of 5,000 Equity Shares of each by Lokendra Rajput and Rashmi Rajput;
- <sup>(2)</sup> Allotment of 1,00,000 Equity Shares to Lokendra Rajput, and 1,00,000 Equity Shares to Rashmi Rajput;
- <sup>(3)</sup> Allotment of 2,00,000 Equity Shares to Lokendra Rajput, and 2,00,000 Equity Shares to Rashmi Rajput;
- <sup>(4)</sup> Allotment of 2,00,000 Equity Shares to Lokendra Rajput, 2,40,000 Equity Shares to Rashmi Rajput and 2,80,000 Equity Shares to Pushpa Rajput;
- <sup>(5)</sup> Allotment of 68,605 Equity Shares to Lokendra Rajput, 79,070 Equity Shares to Rashmi Rajput and 46,511 Equity Shares to Pushpa Rajput;
- <sup>(6)</sup> Allotment of 5,60,809 Equity Shares to Lokendra Rajput, 6,05,084 Equity Shares to Rashmi Rajput, and 3,09,921 Equity Shares to Pushpa Rajput.

**Note:** Our Company has violated the provisions of Section 67 of the Companies Act, 2013, by granting monies and providing financial assistance to our Directors cum Members of our Company in connection with purchase and subscription of equity shares of our Company pursuant to the Rights Issue of equity shares allotted on May 22, 2020.

**3. Equity Shares issued for consideration other than cash**

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

| Date of allotment | Name of the allottee | No. of shares allotted | Face value per share | Issue price per share | Reason for allotment                                                                                                       | Benefits incurred to our Company       |
|-------------------|----------------------|------------------------|----------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| May 25, 2020      | Lokendra Rajput      | 5,60,809               | ₹10.00               | Not Applicable        | Bonus Issue on the pro-rata basis by capitalization of reserves pursuant to the shareholders resolution dated May 25, 2020 | Capitalization of reserves and surplus |
|                   | Rashmi Rajput        | 6,05,084               | ₹10.00               | Not Applicable        |                                                                                                                            |                                        |
|                   | Pushpa Rajput        | 3,09,921               | ₹10.00               | Not Applicable        |                                                                                                                            |                                        |

**4. Equity Shares issued for consideration out of revaluation reserve**

Our Company has not issued any Equity Shares out of its revaluation reserves (including bonus shares) at any time since incorporation.

**5. Issue of Equity Shares pursuant to schemes of arrangement**

No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-240 of the Companies Act, 2013 as on the date of this Draft Prospectus.

**6. Issue of Equity Shares under employee stock option**

As on the date of this Draft Prospectus, our Company has not made issuance of shares under any employee stock option scheme.

**7. Issue of shares at a price lower than Issue Price in last one year**

Except as disclosed below, our Company has not issued any Equity Shares in the last one year immediately preceding the date of this Draft Prospectus at a price which may be lower than the Issue Price:

| Date of Allotment/ Date of Shareholder Resolution | Name of allottee | Reason/ Nature of Allotment | No. of shares allotted | Face value per Equity Share | Issue price per Equity Share | Form of consideration |
|---------------------------------------------------|------------------|-----------------------------|------------------------|-----------------------------|------------------------------|-----------------------|
| [•]                                               | [•]              | [•]                         | [•]                    | [•]                         | [•]                          | [•]                   |

- 8.** The Issue Price shall be determined by our Company in consultation with the Lead Manager after the Issue Closing Date.



## 9. Shareholding Pattern of our Company

Table I – Shareholding pattern of our Company as on the date of this Draft Prospectus

| Category (I) | Category of shareholder (II)          | No. of Shareholders (III) | No. of fully paid up Equity Shares held (IV) | No. of Partly paid up Equity Shares held (V) | No. of shares underlying depository receipts (VI) | Total No. of shares held (VII) = (IV) + (V) + (VI) | Shareholding as a % of total number of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |           |                         | No. of Equity Shares underlying outstanding convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C) | No. of locked in Equity Shares (XII) |                            | No. of Equity Shares pledged or otherwise Encumbered (XIII) |                            | No. of Equity Shares held in dematerialized form (XIV) |
|--------------|---------------------------------------|---------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------|-------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|-------------------------------------------------------------|----------------------------|--------------------------------------------------------|
|              |                                       |                           |                                              |                                              |                                                   |                                                    |                                                                                                        | No. of Voting Rights                                          |           | Total as a % of (A+B+C) |                                                                                             |                                                                                                                                                             | Number (a)                           | As a total Shares held (b) | Number (a)                                                  | As a total Shares held (b) |                                                        |
|              |                                       |                           |                                              |                                              |                                                   |                                                    |                                                                                                        | Class: Equity Shares                                          | Total     |                         |                                                                                             |                                                                                                                                                             |                                      |                            |                                                             |                            |                                                        |
| (A)          | Promoter and Promoter Group           | 3                         | 29,99,960                                    | -                                            | -                                                 | 29,99,960                                          | 99.99                                                                                                  | 29,99,960                                                     | 29,99,960 | 99.99                   | -                                                                                           | 99.99                                                                                                                                                       | -                                    | -                          | -                                                           | -                          | -                                                      |
| (B)          | Public #                              | 4                         | 40                                           | -                                            | -                                                 | 40                                                 | -                                                                                                      | 40                                                            | 40        | Negligible              | -                                                                                           | Negligible                                                                                                                                                  | -                                    | -                          | -                                                           | -                          | -                                                      |
| (C)          | Non-Promoter-Non Public               | -                         | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                           | -                          | -                                                      |
| (C1)         | Shares underlying depository receipts | -                         | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                           | -                          | -                                                      |
| (C2)         | Shares held by employee trusts        | -                         | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                           | -                          | -                                                      |
|              | Total (A+B+C)                         | 7                         | 30,00,000                                    | -                                            | -                                                 | 30,00,000                                          | 100.00                                                                                                 | 30,00,000                                                     | 100.00    | 100.00                  | -                                                                                           | 100.00                                                                                                                                                      | -                                    | -                          | -                                                           | -                          | -                                                      |

# Negligible

Table II – Shareholding pattern of the Promoter and Promoter Group as on the date of this Draft Prospectus

| Category (I) | Category of shareholder (II)                                           | No. of Shareholders (III) | No. of fully paid up Equity Shares held (IV) | No. of Partly paid-up Equity Shares held (V) | No. of shares underlying depositary receipts (VI) | Total No. of shares held (VII) = (IV) + (V) + (VI) | Shareholding as a % of total number of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |           |                         | No. of Equity Shares underlying outstanding convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C) | No. of locked in Equity Shares (XII) |                            | Number of Equity Shares pledged or otherwise Encumbered (XIII) |                            | No. of Equity Shares held in dematerialized form (XIV) |   |
|--------------|------------------------------------------------------------------------|---------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------|-------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|----------------------------------------------------------------|----------------------------|--------------------------------------------------------|---|
|              |                                                                        |                           |                                              |                                              |                                                   |                                                    |                                                                                                        | No. of Voting Rights                                          |           | Total as a % of (A+B+C) |                                                                                             |                                                                                                                                                             | Number (a)                           | As a total Shares held (b) | Number (a)                                                     | As a total Shares held (b) |                                                        |   |
|              |                                                                        |                           |                                              |                                              |                                                   |                                                    |                                                                                                        | Class: Equity Shares                                          | Total     |                         |                                                                                             |                                                                                                                                                             |                                      |                            |                                                                |                            |                                                        |   |
| (1)          | Indian                                                                 |                           |                                              |                                              |                                                   |                                                    |                                                                                                        |                                                               |           |                         |                                                                                             |                                                                                                                                                             |                                      |                            |                                                                |                            |                                                        |   |
| (a)          | Individuals/ Hindu undivided Family                                    | 3                         | 29,99,960                                    | -                                            | -                                                 | 29,99,960                                          | 99.99                                                                                                  | 29,99,960                                                     | 29,99,960 | 99.99                   | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| 1            | Lokendra Rajput                                                        | 1                         | 11,34,414                                    | -                                            | -                                                 | 11,34,414                                          | 37.81                                                                                                  | 11,34,414                                                     | 11,34,414 | 37.81                   | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| 2            | Rashmi Rajput                                                          | 1                         | 12,29,154                                    | -                                            | -                                                 | 12,29,154                                          | 40.97                                                                                                  | 12,29,154                                                     | 12,29,154 | 40.97                   | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| 2            | Pushpa Rajput                                                          | 1                         | 6,36,392                                     | -                                            | -                                                 | 6,36,392                                           | 21.21                                                                                                  | 6,36,392                                                      | 6,36,392  | 21.21                   | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (b)          | Central Government/ State Government(s)                                |                           | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (c)          | Financial Institutions/ Banks                                          |                           | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (d)          | Any Other                                                              |                           | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
|              | Body Corporate                                                         |                           | -                                            | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
|              | Sub-Total (A)(1)                                                       | 3                         | 29,99,960                                    | -                                            | -                                                 | 29,99,960                                          | 99.99                                                                                                  | 29,99,960                                                     | 29,99,960 | 99.99                   | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (2)          | Foreign                                                                |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (a)          | Individuals (Non-Resident Individuals/ Foreign Individuals)            |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (b)          | Government                                                             |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (c)          | Institutions                                                           |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (d)          | Foreign Portfolio Investor                                             |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
| (f)          | Any Other (specify)                                                    |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
|              | Sub-Total (A)(2)                                                       |                           |                                              | -                                            | -                                                 | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |
|              | Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2) | 3                         | 29,99,960                                    | -                                            | -                                                 | 29,99,960                                          | 99.99                                                                                                  | 29,99,960                                                     | 29,99,960 | 99.99                   | -                                                                                           | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                      | - |

\*As on date of this Draft Prospectus 1 Equity Share holds 1 vote;

We have only one class of shares, namely being equity share having face value of ₹10.00/- each;

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the LODR Regulations, one day prior to listing of the Equity Shares;

Table III – Shareholding pattern of the Public Shareholder as on the date of this Draft Prospectus

| Category (I) | Category of shareholder (II)                                                         | No. of Shareholder s (III) | No. of fully paid up Equi ty Shar es held (IV) | No. of Partl y paid-up Equi ty Shar es held (V) | No. of shares underl ying deposi tory receipt s (VI) | Total No. of shar es held (VII) = (IV) +(V) + (VI) | Shareholding as a % of total number of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |           |                         | No. of Equity Shares underlying outstandin g convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C) | No. of locked in Equity Shares (XII) |                            | Number of Equity Shares pledged or otherwise Encumbered (XIII) |                            | No. of Equity Shares held in demat erializ ed form (XIV) |
|--------------|--------------------------------------------------------------------------------------|----------------------------|------------------------------------------------|-------------------------------------------------|------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------|-------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|----------------------------------------------------------------|----------------------------|----------------------------------------------------------|
|              |                                                                                      |                            |                                                |                                                 |                                                      |                                                    |                                                                                                        | No. of Voting Rights                                          |           | Total as a % of (A+B+C) |                                                                                              |                                                                                                                                                             | Nu mber (a)                          | As a total Shares held (b) | Nu mber (a)                                                    | As a total Shares held (b) |                                                          |
|              |                                                                                      |                            |                                                |                                                 |                                                      |                                                    |                                                                                                        | Class: Equity Shares                                          | Total     |                         |                                                                                              |                                                                                                                                                             |                                      |                            |                                                                |                            |                                                          |
| (I)          | Institutions                                                                         | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (a)          | Mutual Funds                                                                         | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (b)          | Venture Capital Funds                                                                | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (c)          | Alternate Investment Funds                                                           | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (d)          | Foreign Venture Capital Investors                                                    | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (e)          | Foreign Portfolio Investors                                                          | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (f)          | Financial Institutions/ Banks                                                        | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (g)          | Insurance Companies                                                                  | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (h)          | Provident Funds/ Pension Funds                                                       | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (i)          | Any other (specify)                                                                  | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (II)         | Central Government/ State Government(s)                                              | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | Sub-Total (B)(2)                                                                     | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (III)        | Non-Institutions                                                                     | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (a)          | Individuals                                                                          | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | (i) Individual shareholders holding nominal share capital up to ₹2,00,000.00         | 4                          | 40                                             | -                                               | -                                                    | 40                                                 | Negligible                                                                                             | 40                                                            | 40        | Negligible              | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | (i.a) Lakhan Jaiswal                                                                 | 1                          | 10                                             | -                                               | -                                                    | 10                                                 | Negligible                                                                                             | 10                                                            | 10        | Negligible              | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | (i.b) Somesh Panchal                                                                 | 1                          | 10                                             | -                                               | -                                                    | 10                                                 | Negligible                                                                                             | 10                                                            | 10        | Negligible              | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | (i.c) Pankaj Solanki                                                                 | 1                          | 10                                             | -                                               | -                                                    | 10                                                 | Negligible                                                                                             | 10                                                            | 10        | Negligible              | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | (i.d) Sanjav Kumar                                                                   | 1                          | 10                                             | -                                               | -                                                    | 10                                                 | Negligible                                                                                             | 10                                                            | 10        | Negligible              | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | (ii) Individual shareholders holding nominal share capital in excess of ₹2,00,000.00 | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (b)          | NBFCs registered with RBI                                                            | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (c)          | Employee Trusts                                                                      | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (d)          | Overseas Depositories (holding DRs) (balancing figures)                              | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
| (e)          | Other Body Corporate                                                                 | -                          | -                                              | -                                               | -                                                    | -                                                  | -                                                                                                      | -                                                             | -         | -                       | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | Sub-Total (B)(3)                                                                     | 4                          | 40                                             | -                                               | -                                                    | 40                                                 | Negligible                                                                                             | 40                                                            | 40        | Negligible              | -                                                                                            | -                                                                                                                                                           | -                                    | -                          | -                                                              | -                          | -                                                        |
|              | <b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>                          | <b>4</b>                   | <b>40</b>                                      | <b>-</b>                                        | <b>-</b>                                             | <b>40</b>                                          | <b>Negligible</b>                                                                                      | <b>40</b>                                                     | <b>40</b> | <b>Negligible</b>       | <b>-</b>                                                                                     | <b>-</b>                                                                                                                                                    | <b>-</b>                             | <b>-</b>                   | <b>-</b>                                                       | <b>-</b>                   | <b>-</b>                                                 |

Table IV – Statement showing shareholding pattern of the Non Promoter- Non Public shareholder as on the date of this Draft Prospectus

|     | Category & Name of the shareholder (I)                                               | PAN<br>(II) | No. of<br>shareholder (III) | No. of<br>fully paid<br>up equity<br>shares<br>held (IV) | Partly<br>paid- up<br>equity<br>shares<br>held (V) | Nos. of<br>shares<br>underl<br>ying<br>Deposi<br>tory<br>Receipts (VI) | Total nos.<br>shares<br>held VII<br>=<br>IV+V<br>+VI | Sharehold<br>ing %<br>calculated<br>as per<br>SCRR,<br>1957 As a<br>% of<br>(A+B+C2)<br>VIII | Number of Voting Rights held<br>in each class of securities (IX) |            |       |                                               | No. of Shares<br>Underlying<br>Outstanding<br>convertible<br>securities<br>(including<br>Warrants)<br>(X) | Total<br>shareholding, as<br>a % assuming<br>full conversion<br>of convertible<br>securities (as a<br>percentage of<br>diluted share<br>capital) | Number of<br>Locked in<br>shares<br>(XII) |                                          | Number of<br>Shares pledged<br>or otherwise<br>encumbered<br>(XIII) |                                                          | Number of<br>equity<br>shares<br>held in<br>dematerial<br>ize d form<br>(XIV) (Not<br>applicable) |
|-----|--------------------------------------------------------------------------------------|-------------|-----------------------------|----------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------|-------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------|
|     |                                                                                      |             |                             |                                                          |                                                    |                                                                        |                                                      |                                                                                              | No of Voting Rights                                              |            |       | Total<br>as % of<br>Total<br>Voting<br>rights |                                                                                                           |                                                                                                                                                  | No.                                       | As a<br>% of<br>total<br>Share<br>s held | No.<br>(Not<br>appli<br>c<br>able)                                  | As a % of<br>total<br>Shares held<br>(Not<br>applicable) |                                                                                                   |
|     |                                                                                      |             |                             |                                                          |                                                    |                                                                        |                                                      |                                                                                              | Class<br>X                                                       | Class<br>Y | Total |                                               |                                                                                                           |                                                                                                                                                  |                                           |                                          |                                                                     |                                                          |                                                                                                   |
| (1) | Custodian/ DR Holder                                                                 | -           | -                           | -                                                        | -                                                  | -                                                                      | -                                                    | -                                                                                            | -                                                                | -          | -     | -                                             | -                                                                                                         | -                                                                                                                                                | -                                         | -                                        | -                                                                   | -                                                        |                                                                                                   |
| (a) | Name of DR Holder (if available)                                                     | -           | -                           | -                                                        | -                                                  | -                                                                      | -                                                    | -                                                                                            | -                                                                | -          | -     | -                                             | -                                                                                                         | -                                                                                                                                                | -                                         | -                                        | -                                                                   | -                                                        |                                                                                                   |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | -           | -                           | -                                                        | -                                                  | -                                                                      | -                                                    | -                                                                                            | -                                                                | -          | -     | -                                             | -                                                                                                         | -                                                                                                                                                | -                                         | -                                        | -                                                                   | -                                                        |                                                                                                   |
|     | Total Non-Promoter- Non Public Shareholding (C)=<br>(C)(1) + (C)(2)                  | -           | -                           | -                                                        | -                                                  | -                                                                      | -                                                    | -                                                                                            | -                                                                | -          | -     | -                                             | -                                                                                                         | -                                                                                                                                                | -                                         | -                                        | -                                                                   | -                                                        |                                                                                                   |

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

## 10. Details of shareholding of the major shareholders our Company

- (a) As on the date of the filing of this Draft Prospectus, our Company has seven shareholders;
- (b) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Prospectus:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Issue Equity Share Capital (%) |
|---------|-------------------------|----------------------|------------------------------------------------------|
| (i)     | Lokendra Rajput         | 11,34,414            | 37.81%                                               |
| (ii)    | Rashmi Rajput           | 12,29,154            | 40.97%                                               |
| (iii)   | Pushpa Rajput           | 6,36,392             | 21.21%                                               |
|         | <b>Total</b>            | <b>29,99,960</b>     | <b>99.99%</b>                                        |

- (c) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of ten days prior to the date of filing of this Draft Prospectus:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Issue Equity Share Capital (%) |
|---------|-------------------------|----------------------|------------------------------------------------------|
| (i)     | Lokendra Rajput         | 11,34,414            | 37.81%                                               |
| (ii)    | Rashmi Rajput           | 12,29,154            | 40.97%                                               |
| (iii)   | Pushpa Rajput           | 6,36,392             | 21.21%                                               |
|         | <b>Total</b>            | <b>29,99,960</b>     | <b>99.99%</b>                                        |

- (d) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of one year prior to the date of filing of this Draft Prospectus:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Issue Equity Share Capital (%) |
|---------|-------------------------|----------------------|------------------------------------------------------|
| (i)     | Lokendra Rajput         | 5,05,000             | 37.97%                                               |
| (ii)    | Rashmi Rajput           | 5,45,000             | 40.98%                                               |
| (iii)   | Pushpa Rajput           | 2,80,000             | 21.05%                                               |
|         | <b>Total</b>            | <b>13,30,000</b>     | <b>100.00%</b>                                       |

- (e) Set forth below are the details of shareholders holding 1.00% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of filing of this Draft Prospectus:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the pre-Issue Equity Share Capital (%) |
|---------|-------------------------|----------------------|------------------------------------------------------|
| (i)     | Lokendra Rajput         | 5,05,000             | 37.97%                                               |
| (ii)    | Rashmi Rajput           | 5,45,000             | 40.98%                                               |
| (iii)   | Pushpa Rajput           | 2,80,000             | 21.05%                                               |
|         | <b>Total</b>            | <b>13,30,000</b>     | <b>100.00%</b>                                       |

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

| Sr. No. | Name of Promoters | No. of Equity Shares | Cost of Acquisition |
|---------|-------------------|----------------------|---------------------|
| (i)     | Lokendra Rajput   | 11,34,414            | ₹9.65/-             |
| (ii)    | Rashmi Rajput     | 12,29,154            | ₹9.97/-             |
| (iii)   | Pushpa Rajput     | 6,36,392             | ₹15.55/-            |

11. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. 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 Equity Shares as currency for acquisitions or participation in such joint ventures.

## 12. Details of Shareholding of our Promoters and members of the Promoter Group in the Company

- (a) As on the date of this Draft Prospectus, our Promoters hold Equity Shares, equivalent to 99.99% of the issued, subscribed, and paid-up Equity Share capital of our Company, as set forth in the table below:

| Sr. No. | Name of the Shareholder | Pre-Issue Equity Share Capital |                         | Post-Issue Equity Share Capital* |                         |
|---------|-------------------------|--------------------------------|-------------------------|----------------------------------|-------------------------|
|         |                         | No. of Equity Shares           | % of total Shareholding | No. of Equity Shares             | % of total Shareholding |
| (i)     | Lokendra Rajput         | 11,34,414                      | 37.81%                  | [●]                              | [●]                     |
| (ii)    | Rashmi Rajput           | 12,29,154                      | 40.97%                  | [●]                              | [●]                     |
| (iii)   | Pushpa Rajput           | 6,36,392                       | 21.21%                  | [●]                              | [●]                     |

\* Subject to finalisation of basis of Allotment

- (b) Our Promoters are in the process of dematerializing their Equity Shares;
- (c) Build-up of the Promoters' shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

| Nature of transaction                      | Date of Allotment/ Transfer / Transmission | No. of Equity Shares | Face value per Equity Share | Issue Price/ Transfer Price per Equity Share | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital* |
|--------------------------------------------|--------------------------------------------|----------------------|-----------------------------|----------------------------------------------|-------------------------------------|---------------------------------------|
| <b>(i) Lokendra Rajput</b>                 |                                            |                      |                             |                                              |                                     |                                       |
| Allotment as Initial subscriber to the MoA | December 14, 2007                          | 5,000                | ₹10.00                      | ₹10.00                                       | 0.17%                               | [●]                                   |
| Preferential allotment                     | March 20, 2014                             | 1,00,000             | ₹10.00                      | ₹10.00                                       | 3.33%                               | [●]                                   |
| Right Issue                                | December 08, 2014                          | 2,00,000             | ₹10.00                      | ₹10.00                                       | 6.67%                               | [●]                                   |
| Preferential allotment                     | May 24, 2018                               | 2,00,000             | ₹10.00                      | ₹10.00                                       | 6.67%                               | [●]                                   |
| Rights Issue                               | May 22, 2020                               | 68,605               | ₹10.00                      | ₹86.00                                       | 2.29%                               | [●]                                   |
| Bonus Issue                                | May 25, 2020                               | 5,60,809             | ₹10.00                      | Not Applicable                               | 18.69%                              | [●]                                   |
| <b>Total</b>                               |                                            | <b>11,34,414</b>     | <b>₹10.00</b>               |                                              | <b>37.81%</b>                       | <b>[●]</b>                            |
| <b>(ii) Rashmi Rajput</b>                  |                                            |                      |                             |                                              |                                     |                                       |
| Allotment as Initial subscriber to the MoA | December 14, 2007                          | 5,000                | ₹10.00                      | ₹10.00                                       | 0.17%                               | [●]                                   |
| Preferential allotment                     | March 20, 2014                             | 1,00,000             | ₹10.00                      | ₹10.00                                       | 3.33%                               | [●]                                   |
| Right Issue                                | December 08, 2014                          | 2,00,000             | ₹10.00                      | ₹10.00                                       | 6.67%                               | [●]                                   |
| Preferential allotment                     | May 24, 2018                               | 2,40,000             | ₹10.00                      | ₹10.00                                       | 8.00%                               | [●]                                   |
| Rights Issue                               | May 22, 2020                               | 79,070               | ₹10.00                      | ₹86.00                                       | 2.64%                               | [●]                                   |
| Bonus Issue                                | May 25, 2020                               | 6,05,084             | ₹10.00                      | Not Applicable                               | 20.17%                              | [●]                                   |
| <b>Total</b>                               |                                            | <b>12,29,154</b>     | <b>₹10.00</b>               |                                              | <b>40.97%</b>                       | <b>[●]</b>                            |
| <b>(iii) Pushpa Rajput</b>                 |                                            |                      |                             |                                              |                                     |                                       |
| Preferential allotment                     | May 24, 2018                               | 2,80,000             | ₹10.00                      | ₹10.00                                       | 9.33%                               | [●]                                   |

| Nature of transaction      | Date of Allotment/ Transfer / Transmission | No. of Equity Shares | Face value per Equity Share | Issue Price/ Transfer Price per Equity Share | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital* |
|----------------------------|--------------------------------------------|----------------------|-----------------------------|----------------------------------------------|-------------------------------------|---------------------------------------|
| Rights Issue               | May 22, 2020                               | 46,511               | ₹10.00                      | ₹86.00                                       | 1.55%                               | [●]                                   |
| Bonus Issue                | May 25, 2020                               | 3,09,921             | ₹10.00                      | Not Applicable                               | 10.33%                              | [●]                                   |
| Transfer to Lakhan Jaiswal | November 28, 2020                          | (10)                 | ₹10.00                      | ₹15.50                                       | Negligible                          | [●]                                   |
| Transfer to Somesh Panchal | November 28, 2020                          | (10)                 | ₹10.00                      | ₹15.50                                       | Negligible                          | [●]                                   |
| Transfer to Pankaj Solanki | November 28, 2020                          | (10)                 | ₹10.00                      | ₹15.50                                       | Negligible                          | [●]                                   |
| Transfer to Sanjav Kumar   | November 28, 2020                          | (10)                 | ₹10.00                      | ₹15.50                                       | Negligible                          | [●]                                   |
| <b>Total</b>               |                                            | <b>6,36,392</b>      | <b>₹10.00</b>               |                                              | <b>21.21%</b>                       | <b>[●]</b>                            |

\* Subject to finalisation of basis of Allotment

- (d) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged;
- (e) As on the date of this Draft Prospectus, none of the members of the Promoter Group (other than our Promoters) are holding any Equity Shares of our Company. Therefore, disclosure in pursuance of details of the shareholding of the members of the Promoter Group (other than our Promoters) as on the date of filing of this Draft Prospectus, is not applicable;
- (f) Except as mentioned below, none of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Prospectus:

| Date of allotment/ transfer | Name of the allottee/ transferor/ transferee              | No. of Equity Shares allotted/ transferred | Face value per Equity Share | Issue Price/ Transfer Price per Equity Share | Reason of allotment/ transfer     |
|-----------------------------|-----------------------------------------------------------|--------------------------------------------|-----------------------------|----------------------------------------------|-----------------------------------|
| November 28, 2020           | Transferor - Pushpa Rajput<br>Transferee - Lakhan Jaiswal | 10                                         | ₹10.00                      | ₹15.50                                       | Sale of Equity Shares by transfer |
| November 28, 2020           | Transferor - Pushpa Rajput<br>Transferee - Somesh Panchal | 10                                         | ₹10.00                      | ₹15.50                                       | Sale of Equity Shares by transfer |
| November 28, 2020           | Transferor - Pushpa Rajput<br>Transferee - Pankaj Solanki | 10                                         | ₹10.00                      | ₹15.50                                       | Sale of Equity Shares by transfer |
| November 28, 2020           | Transferor - Pushpa Rajput<br>Transferee - Sanjav Kumar   | 10                                         | ₹10.00                      | ₹15.50                                       | Sale of Equity Shares by transfer |

- (g) There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Prospectus.

### 13. Details of Promoters' contribution and locked-in for three years

- (a) Pursuant to Regulation 236 and Regulation 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment (hereinafter referred

to as ‘**Minimum Promoters’ Contribution**’), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment;

- (b) Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Minimum Promoters’ Contribution constituting [●]% of the post-Issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters Contribution, for a period of three years from the date of allotment in the public Issue;
- (c) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Minimum Promoters’ Contribution are set forth in the table below:

| Name of the Promoter | Date of allotment of the Equity Shares | Nature of transaction | No. of Equity Shares held** | Face Value (₹) | Issue/ acquisition price per Equity Share (₹) | No. of Equity Shares locked-in* | Percentage of the post-Issue paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|----------------------|----------------------------------------|-----------------------|-----------------------------|----------------|-----------------------------------------------|---------------------------------|--------------------------------------------------|-----------------------------------------------------------|
| [●]                  | [●]                                    | [●]                   | [●]                         | [●]            | [●]                                           | [●]                             | [●]                                              | [●]                                                       |
| [●]                  | [●]                                    | [●]                   | [●]                         | [●]            | [●]                                           | [●]                             | [●]                                              | [●]                                                       |
| [●]                  | [●]                                    | [●]                   | [●]                         | [●]            | [●]                                           | [●]                             | [●]                                              | [●]                                                       |
| [●]                  | [●]                                    | [●]                   | [●]                         | [●]            | [●]                                           | [●]                             | [●]                                              | [●]                                                       |
| <b>Total</b>         |                                        |                       | [●]                         |                |                                               | [●]                             | [●]                                              |                                                           |

\* Subject to finalisation of Basis of Allotment.

\*\*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares

- (d) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20.00% of the fully diluted post-Issue Equity Share capital of our Company as Promoters’ Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Minimum Promoters’ Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations;
- (e) Our Company undertakes that the Equity Shares that are subjected to being lock-in are not and will not be ineligible for computation of Minimum Promoters’ Contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations. In pursuance of the aforesaid, we confirm the following:
- (i.a) The Equity Shares offered for Minimum Promoters’ Contribution does not include Equity Shares acquired in the three immediately preceding years: (a) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealized profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Minimum Promoters’ Contribution;
- (i.b) The Minimum Promoters’ Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (i.c) The Minimum Promoters’ Contribution does not include any Equity Shares allotted through private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary;
- (i.d) Our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the past one year immediately preceding the date of this Draft Prospectus pursuant to conversion from a partnership firm;
- (i.e) The Equity Shares forming part of the Minimum Promoter’s Contribution are not subject to any pledge; and



- (i.f) Minimum Promoter's Contribution of 20.00% of the post-Issue Equity does not include any contribution from Alternate Investment Fund.

#### **14. Details of Equity Shares locked-in for one year**

In addition to the 20.00% of the fully diluted post-Issue shareholding of our Company held by the Promoters and locked-in for three years as specified above, the entire pre-Issue Equity Share capital of our Company shall be subjected to lock-in for a period of one year from the date of Allotment, in accordance with sub-Regulation (b) of Regulation 238 and Regulation 239 of the SEBI (ICDR) Regulations.

#### **15. Recording on non-transferability of Equity Shares locked-in**

In compliance with Regulation 241 of the SEBI (ICDR) Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

#### **16. Other requirements in respect of lock-in**

In pursuance of Regulation 242 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters' and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in as Minimum Promoter's Contribution for a period of three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.
- (b) With respect to the Equity Shares locked-in for a period of one year from the date of Allotment, such pledge of the said Equity Shares is one of the terms of the sanction of the loan;

However, the relevant lock-in period shall continue post the invocation of the pledge as specified above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the expiry of the relevant lock-in period in terms of the SEBI (ICDR) Regulations.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in as applicable with the transferee for the remaining period and compliance with provisions of the SEBI (SAST) Regulations.

Further, in terms of Regulation 239 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one year, 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 the continuation of the lock-in with the transferee and compliance with the provisions of the SEBI (SAST) Regulations.

- 17. Our Company, Promoters, Directors, and the Lead Manager have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Issue;
- 18. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose;
- 19. Our Promoters and Promoter Group will not participate in this Issue;
- 20. Except Lokendra Rajput, Rashmi Rajput, Pushpa Rajput and Lakhan Jaiswal, none of the other Directors or Key Managerial Personnel of our Company hold any Equity Shares in our Company. For details, refer the section titled '**Our Management - Shareholding of Directors in our Company**' on page 162 of this Draft Prospectus;

21. Our Company undertakes that there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time;
22. There are no Equity Shares against which depository receipts have been issued;
23. All Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus;
24. As on the date of this Draft Prospectus, the Lead Manager and their respective associates do not hold any Equity Shares of our Company. The Lead Manager and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation;
25. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus;
26. Investors may note that in case of over-subscription, Allotment will be on proportionate basis as detailed under the chapter titled '**Issue Procedure**' on page 252 of this Draft Prospectus.
27. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
28. An over-subscription to the extent of 10.00% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10.00% of the Net Issue, as a result of which, the post-issue paid-up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20.00% of the post Issue paid-up capital is locked in.
29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines;
30. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue;
31. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue;
32. Our Company has not made any public issue (including any rights issue to the public) since its incorporation;
33. Our Company shall ensure that all the transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Draft Prospectus and the date of closing of the Issue shall be reported to the Stock Exchange within 24 (Twenty-Four) hours of such transactions.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### FRESH ISSUE

The Fresh Issue includes a public Issue of up to 10,88,000 (Ten Lakhs Eighty-Eight Thousand) Equity Shares of our Company at an Issue Price of ₹[●]/- per Equity Share.

#### OBJECTS OF THE ISSUE

We intend to utilize the issue proceeds to meet the following objects:

- A. To meet the working capital expenses;
- B. General Corporate Purpose; and
- C. To meet the Issue Expenses.

(Collectively referred to as ‘Objects of the Issue’)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE Emerge. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

#### UTILISATION OF ISSUE PROCEEDS

The details of the Issue proceeds of the Issue are proposed to be utilized by our Company for the following objects:

(₹ in Lakhs)

| Sr. No. | Particulars                 | Estimated Amount@ |
|---------|-----------------------------|-------------------|
| (1)     | Gross Proceeds of the Issue | [●]               |
| (2)     | Issue related expenses      | [●]               |
| (3)     | Net Proceeds of the Issue   | [●]               |

Notes

(a) To be finalized upon determination of the Issue.

#### UTILISATION OF NET PROCEEDS

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

(₹ in Lakhs)

| Sr. No. | Particulars                 | Estimated Amount@ |
|---------|-----------------------------|-------------------|
| (1)     | Gross Proceeds of the Issue | [●]               |
| (2)     | Issue related expenses      | [●]               |
| (3)     | Net Proceeds of the Issue   | [●]               |

Notes

(a) To be finalized upon determination of the Issue.

#### MEANS OF FINANCE

We propose to meet the requirement of funds for the stated objects of the Issue from the Issue proceeds only. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

(₹ in Lakhs)

| Sr. No. | Objects of the Issue | Amount Required@ |
|---------|----------------------|------------------|
| (1)     | Net Issue Proceeds   | [●]              |

Notes

(a) To be finalized upon determination of the Issue.

The fund requirements for the Objects of the Issue are based on internal management estimates and quotations received from vendors and have not been appraised by any bank or financial institution.

Since the entire fund requirements are to be funded from the proceeds of the Issue. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under clause (e) of Sub-Regulation (1) of Regulation 230 of the SEBI (ICDR) Regulations through verifiable means towards at least 75.00% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

## FUND REQUIREMENTS

Our fund requirements and deployment are based on the internal management estimates. These are based on current plans and circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition and business or strategy. Further, these estimates have not been appraised and/or verified by the Lead Merchant Banker or any bank or financial institution or any other external agency.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. If the actual utilisation towards any of the Objects of the Issue is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the proceeds from the Issue in accordance with Sub-Regulation (2) of Regulation 230 of the SEBI (ICDR) Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects of the Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

For further details on the risks involved in our business plans and executing our business strategies, please refer to the section titled '**Risk Factors**' beginning on page 23 of this Draft Prospectus.

## DETAILS OF THE UTILIZATION OF ISSUE PROCEEDS

### 1. To meet working capital expenses

Our business is working capital intensive. We shall meet the requirement to the extent of ₹[●] from the Net Proceeds of the Issue and balance from internal accruals and other sources of the company.

The details of estimation of working capital requirement are as follows:

(₹ in Lakhs)

| Particulars                                         | Audited | Estimated | Projected | Projected |
|-----------------------------------------------------|---------|-----------|-----------|-----------|
| <b>Current Assets</b>                               | [●]     | [●]       | [●]       | [●]       |
| Inventories                                         | [●]     | [●]       | [●]       | [●]       |
| Trade Receivable                                    | [●]     | [●]       | [●]       | [●]       |
| Cash and cash equivalent                            | [●]     | [●]       | [●]       | [●]       |
| Short-term loans and advances/ Other current assets | [●]     | [●]       | [●]       | [●]       |

| Particulars                          | Audited | Estimated | Projected | Projected |
|--------------------------------------|---------|-----------|-----------|-----------|
| Other Current Assets                 | [●]     | [●]       | [●]       | [●]       |
| <b>Total Current Assets (1)</b>      | [●]     | [●]       | [●]       | [●]       |
| <b>Current Liabilities</b>           | [●]     | [●]       | [●]       | [●]       |
| Short-term borrowings                | [●]     | [●]       | [●]       | [●]       |
| Trade Payable                        | [●]     | [●]       | [●]       | [●]       |
| Short-term provisions                | [●]     | [●]       | [●]       | [●]       |
| Other current liabilities            | [●]     | [●]       | [●]       | [●]       |
| <b>Total Current Liabilities (2)</b> | [●]     | [●]       | [●]       | [●]       |
| <b>Working Capital (1) – (2)</b>     | [●]     | [●]       | [●]       | [●]       |
| <b>Sources of Working Capital</b>    | [●]     | [●]       | [●]       | [●]       |
| Fund Based Borrowings                | [●]     | [●]       | [●]       | [●]       |
| Company's Fund                       | [●]     | [●]       | [●]       | [●]       |
| <b>Sourced from</b>                  | [●]     | [●]       | [●]       | [●]       |
| Reserves                             | [●]     | [●]       | [●]       | [●]       |
| Current Years profit                 | [●]     | [●]       | [●]       | [●]       |
| IPO Proceeds                         | [●]     | [●]       | [●]       | [●]       |

#### Justification for 'Holding Period' levels

| Assets - Current Assets           |                                                                                            |
|-----------------------------------|--------------------------------------------------------------------------------------------|
| Trade Receivables                 | We expect debtors holding days to be [●] days for the Financial Year [●] based on [●]      |
| Inventories                       | We expect inventories turnover days to be [●] days for the Financial Year [●] based on [●] |
| Liabilities - Current Liabilities |                                                                                            |
| Trade Payables                    | We expect creditor payment days to be [●] days for the Financial Year [●] based on [●]     |

## 2. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the Issue proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹[●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, research and development, and the strengthening of our business development and marketing capabilities, meeting exigencies, which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25.00% (Twenty-Five Percent) of the amount raised by our Company through the Issue of Equity Shares.

## 3. To meet Issue expenses

The estimated Issue related expenses include Issue management fee, underwriting and selling commissions, printing and distribution expenses, legal fee, advertisement expenses, Registrar to the Issue's fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹[●] which is [●]% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

| (₹ in Lakhs)                                                                                                                                             |                         |                                                      |                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------|------------------------------------------------------|
| Activity                                                                                                                                                 | Expenses <sup>(1)</sup> | % of expenses of total Issue expenses <sup>(1)</sup> | % of expenses of gross Issue proceeds <sup>(1)</sup> |
| Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrar to the Issue and other out of pocket expenses | [●]                     | [●]                                                  | [●]                                                  |
| Fees payable to advertising and marketing expense                                                                                                        | [●]                     | [●]                                                  | [●]                                                  |

| Activity                                            | Expenses <sup>(1)</sup> | % of expenses of total Issue expenses <sup>(1)</sup> | % of expenses of gross Issue proceeds <sup>(1)</sup> |
|-----------------------------------------------------|-------------------------|------------------------------------------------------|------------------------------------------------------|
| Fees Payable to regulators including stock exchange | [●]                     | [●]                                                  | [●]                                                  |
| Printing and stationery expenses                    | [●]                     | [●]                                                  | [●]                                                  |
| Brokerage and Selling Commission <sup>(2)</sup>     | [●]                     | [●]                                                  | [●]                                                  |
| <b>Total estimated Issue expenses</b>               | [●]                     | [●]                                                  | [●]                                                  |

Notes

- (1) Amounts will be finalised at the time of filing the Prospectus and on determination of Issue Price and other details;
- (2) Includes commission/ processing fees to the Designated Intermediaries. Designated Intermediaries would be entitled for a processing fee of [●]% for processing of valid Application forms procured by such Intermediaries. Additionally, the SCSBs will be entitled for a fee of ₹[●] per application for blocking of fund

## PROPOSED SCHEDULE OF IMPLEMENTATION

The proposed year wise break up of deployment of funds and schedule of implementation of the Net Issue Proceeds is as under:

(₹ in Lakhs)

| Sr. No. | Particulars                          | Amount to be deployed and utilized in the Financial Year 2021-2022 |
|---------|--------------------------------------|--------------------------------------------------------------------|
| 1.      | To meet the working capital expenses | [●]                                                                |
| 2.      | General Corporate Purpose            | [●]                                                                |
| 3.      | To meet the Issue Expenses           | [●]                                                                |
|         | Total Net Proceeds                   | [●]                                                                |

## FUNDS DEPLOYED AND SOURCES OF FUNDS DEPLOYED

Our Statutory Auditors vide their certificate dated [●] have confirmed that as on the date of Prospectus, the following funds have been deployed for the proposed objects of the Issue

(₹ in Lakhs)

| Sr. No. | Particulars                             | Amount deployed |
|---------|-----------------------------------------|-----------------|
| 1.      | To meet the working capital expenses    | [●]             |
| 2.      | To meet the Issue Expenses <sup>^</sup> | [●]             |
|         | Total                                   | [●]             |

Notes

<sup>^</sup>Excluding applicable tax

## SOURCES OF FINANCING FOR THE FUNDS DEPLOYED

(₹ in Lakhs)

| Sr. No. | Particulars       | Amount deployed |
|---------|-------------------|-----------------|
| 1.      | Internal accruals | [●]             |
|         | Total             | [●]             |

## APPRAISAL BY APPRAISING AGENCY

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

## SHORTFALL OF FUNDS

Any shortfall in meeting the fund requirements shall be met by way of internal accruals and/or secured or unsecured loans.

## **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds.

## **MONITORING OF UTILIZATION OF ISSUE PROCEEDS**

As the size of the Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Our Company will disclose the utilization of the Net Proceeds, including interim use, under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will also indicate investments, if any, of the unutilized Net Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to SEBI (LODR) Regulations, our Company shall on a half yearly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Prospectus 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.

Further, in accordance with SEBI (LODR) Regulations, our Company shall furnish to the Stock Exchange, a statement indicating (i) material deviations, if any, in the utilisation of the Net Proceeds from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects of the Issue. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event of any deviation in the use of Net Proceeds from the Objects, as stated above, our Company shall intimate the same to the Stock Exchange without delay.

## **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net proceeds with scheduled commercial banks included in schedule II of the RBI Act, 1934, as amended from time to time. Such deposits will be approved by our management from time to time.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the Net Proceeds of the Issue as described above, it shall not use the funds from the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

## **VARIATION IN OBJECTS**

In accordance with Sub-Section (8) of Section 13 and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without being authorized to do so by the shareholders of our Company by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify and disclose the prescribed details as required under the Companies Act, 2013. The aforesaid notice shall simultaneously be published in the newspapers, one in English and one in vernacular language of the jurisdiction where our Registered Office is situated. In the event, the shareholders do not agree to the proposal to vary the objects, our Promoter or controlling shareholders shall be required to provide an exit opportunity to such shareholders, at such a price as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

There are no material existing or anticipated transactions with our Promoter, our Directors, Key Managerial Personnel, in relation to the utilization of the Net Proceeds. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, our Directors, associates, or Key Management Personnel, except as may be required in the normal course of business and in compliance with the applicable law.

## BASIS OF THE ISSUE PRICE

The Issue will be determined by our Company in consultation with the Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Fixed Price Process and on the basis of quantitative and qualitative factors as described below. *Investors should read the following basis with the sections titled ‘Risk Factors’, ‘Financial Information’, and ‘Our Business’ beginning on page 23, 182, and 122 respectively, of this Draft Prospectus, to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.*

### QUALITATIVE FACTORS

Some of the qualitative factors and our strengths, which form the basis for the Issue Price, are:

- Experienced Promoters and management expertise;
- hybrid seeds wide range of crops;
- Making the required seeds available at the right place, at the right time and at the right price;
- Presence in the industry for over fourteen years;
- Established vast domestic market;
- Recognized relationship with the suppliers;
- Cost effective production and timely fulfilment of orders;

For further details, please refer to the sections titled ‘Our Business’ and ‘Risk Factors’ beginning on page 122 and 23 respectively, of this Draft Prospectus.

### QUANTITATIVE FACTORS

Information presented in this section is derived from the Restated Financial Statements prepared in accordance with Companies Act, 2013 and the SEBI (ICDR) Regulations. Some of the quantitative factors, which form the basis for computing the Issue Price, are as follows:

#### 1) Basic and diluted Earnings Per Share

| Particulars                               | Basic EPS | Weight | Diluted EPS | Weight |
|-------------------------------------------|-----------|--------|-------------|--------|
| Financial Year 2019-2020                  | ₹2.96     | 3      | ₹2.96       | 3      |
| Financial Year 2018-2019                  | ₹1.53     | 2      | ₹1.53       | 2      |
| Financial Year 2017-2018                  | ₹2.64     | 1      | ₹2.64       | 1      |
| Weighted Average                          | ₹2.43     |        | ₹2.43       |        |
| As on September 30, 2020 (Non-Annualized) | ₹3.03     |        | ₹3.03       |        |
| Adjusted EPS                              | ₹1.31     |        |             |        |

Notes:

- The figures disclosed above are based on the restated financial statements of the Company.
- The face value of each equity share is ₹10.00/-.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – ‘Earnings per Share’ issued by the Institute of Chartered Accountants of India.

#### 2) Price to Earnings ratio in relation to Issue Price of ₹[●]

| Particulars                                                              | EPS   | P/E Ratio at the Issue Price |
|--------------------------------------------------------------------------|-------|------------------------------|
| Based on the Basic and Diluted as on September 30, 2020 (non-annualized) | ₹3.03 | [●]                          |
| Based on the Basic and Diluted Financial Year 2019-20                    | ₹2.96 | [●]                          |
| Based on the Weighted Average Basic and Diluted EPS                      | ₹2.43 | [●]                          |

- P/E Ratio = Issue Price/ EPS;



### 3) Average return on Net Worth

| Particulars                               | Return on Net Worth (%) | Weights |
|-------------------------------------------|-------------------------|---------|
| Financial Year 2019-2020                  | 17.83%                  | 3       |
| Financial Year 2018-2019                  | 10.83%                  | 2       |
| Financial Year 2017-2018                  | 17.93%                  | 1       |
| Weighted Average                          | 15.51%                  |         |
| As on September 30, 2020 (Non-Annualized) | 16.35%                  |         |

Notes:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated, by Net Worth (excluding revaluation reserve, if any) as at the end of the year/ period excluding miscellaneous expenditure to the extent not written off.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e.  $[(\text{RoNW} \times \text{Weight}) \text{ for each fiscal}] / [\text{Total of weights}]$ .

### 4) Net Asset Value per Equity Share (After bonus issue and rights issue) \*

| Particulars                                                              | NAV    |
|--------------------------------------------------------------------------|--------|
| Based on the Basic and Diluted as on September 30, 2020 (non-annualized) | ₹15.45 |
| For the Financial Year 2019-20                                           | ₹16.61 |
| Net Asset Value after the Issue                                          | ₹[●]   |
| Issue Price                                                              | ₹[●]   |

\*Net asset value per share (in ₹) = Net worth as at the end of the period/year / Number of equity shares outstanding at the end of the period / year

### 5) Comparison of Accounting Ratios with Peer Group Companies

| Name of the Issuer company   | Face Value | Issue Price/ Current Market Price | Earnings Per Share | Price to Earnings Ratio | Return on Net Worth | Net Asset Value (After bonus and rights issue) |
|------------------------------|------------|-----------------------------------|--------------------|-------------------------|---------------------|------------------------------------------------|
| Vardaan Biotech Limited      | ₹10.00     | ₹[●]                              | ₹3.03              | [●]                     | 17.83%              | ₹16.61                                         |
| <b>Peer Company</b>          |            |                                   |                    |                         |                     |                                                |
| Indo Us Bio-Tech Limited     | ₹10.00     | ₹41.50                            | ₹2.44              | ₹17.01                  | 41.77%              | -                                              |
| Mangalam Seeds Limited       | ₹10.00     | ₹70.00                            | ₹3.41              | ₹20.53                  | 11.07%              | -                                              |
| Kaveri Seeds Company Limited | ₹2.00      | ₹508.70                           | ₹41.82             | ₹12.16                  | 26.30%              | -                                              |

(Source: BSE, Annual Report)

For further details, please refer to the section titled '**Risk Factors**' beginning on page 23 of this Draft Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled '**Restated Financial Statements**' beginning on page 182 of this Draft Prospectus for a more informed view.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors  
Vardaan Biotech Limited  
C-2/1, Mahananda Nagar, Dewas Road, Ujjain (M.P)

Dear Sirs,

**Sub: Statement of possible Special tax benefit ('the Statement') available to Vardaan Biotech Limited and its shareholders prepared in accordance with the requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by Vardaan Biotech Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, 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 imperatives, the company may or may not choose to fulfill.

The amendments in Finance Act 2016 have been incorporated to the extent relevant in the enclosed annexure.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits 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 views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Prospectus and Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,  
**For S.K.Khandelwal & Associates Chartered Accountants**  
Firm Registration No. 002305C

Suresh Kumar Khandelwal  
Partner  
Membership No. 71189 Indore  
Date: **16/02/2021**

Encl: Annexure

### **Annexure to the statement of possible Tax Benefits**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

- Special Tax Benefits available to the Company under the Act:

There are no special Tax benefits available to the Company under the Act.

- Special Tax Benefits available to the shareholders of the Company under the Act:

There are no special Tax Benefits available to the shareholders of the Company.

#### **Notes:**

The above Statement of Possible Special Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

## SECTION VIII – ABOUT OUR COMPANY

---

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL ECONOMIC OUTLOOK

The COVID-19 pandemic has caused major disruptions in the global economy. Economic activity has been hit by reduced personal interaction, owing both to official restrictions and private decisions; uncertainty about the post-pandemic economic landscape and policies has discouraged investment; disruptions to education have slowed human capital accumulation; and concerns about the viability of global value chains and the course of the pandemic have weighed on international trade and tourism. As with previous economic crises, the pandemic is expected to leave long-lasting adverse effects on global economic activity and per capita incomes. It is likely to steepen the slowdown in the growth of global potential output—the level of output the global economy can sustain at full employment and capacity utilization—that had earlier been projected for the decade just begun. If history is any guide, unless there are substantial and effective reforms, the global economy is heading for a decade of disappointing growth outcomes. Especially given weak fiscal positions and elevated debt, institutional reforms to spur growth are particularly important. A comprehensive policy effort is needed to rekindle robust, sustainable, and equitable growth. A package of reforms to increase investment in human and physical capital and raise female labor force participation could help avert the expected impact of the pandemic on potential growth in emerging market and developing economies (EMDEs) over the next decade. In the past, the growth dividends from reform efforts were recognized and anticipated by investors in upgrades to their long-term growth expectations.

#### Introduction

The global economy headed into the COVID-19 pandemic on the heels of a decade of slowing productivity growth and weak investment. By 2018, labor productivity growth in advanced economies and emerging market and developing economies (EMDEs) had slowed to 0.8 and 3.5 percent, respectively, from 1.0 and 4.1 percent during the first decade of the 2000s (Dieppe 2020). In 2019, investment growth was below its 2000-09 average in two-thirds of the world's economies and in three-quarters of EMDEs (World Bank 2019a).

As these fundamental drivers of long-term growth weakened, growth in global potential output—the output that can be sustained at full employment and capacity utilization—had fallen to 2.2 percent in 2019, well below its annual average of 3.3 percent in the first decade of the 2000s. This decline in potential growth was broad-based, affecting three-quarters of countries, including two-thirds of EMDEs (World Bank 2018a; Kilic Celik, Kose, and Ohnsorge 2020). In recognition of this weakening, forecasters repeatedly downgraded their long-term growth expectations over the past decade. By 2019, ten year- ahead forecasts for global growth had fallen to 2.4 percent, down from 3.3 percent in 2010. Over 2010-19, long-term growth forecasts were downgraded for almost all countries. For EMDEs, ten-year-ahead growth forecasts fell to 3.9 percent in 2019, down from 6.1 percent in 2010.

Since durable per capita income gains and poverty reduction can be achieved only with sustained improvements in potential growth, poverty reduction has slowed over the past decade. In the decade that ended in 2017, the prevalence of global extreme poverty declined by 9 percentage points of the global population, down from 11 percentage points in the preceding decade. The new decade that began in 2020 was ushered in with the most severe global recession since the Second World War, triggered by the COVID-19 pandemic (World Bank 2020a). In less than a year, by December 2020, COVID-19 had cost the lives of more than 1.5 million people around the world and was gathering momentum once again in many advanced economies and some EMDEs. Like earlier severe economic disruptions, the pandemic will likely leave lasting economic and financial scars. Productivity enhancing investment has plunged, education has been disrupted, and the pandemic has cast doubt on many countries' growth strategies, including global value chain participation, reliance on production and export of commodities, and specialization in hospitality and tourism (Dieppe 2020). The pandemic is also poised to increase inequality because it risks causing large human capital

losses particularly among people who are already disadvantaged, making it harder for countries to return to inclusive growth even after the shock recedes (World Bank 2020b).

Against this backdrop, this chapter examines the following questions.

- What has been the impact of the pandemic on long-term growth prospects?
- What are the implications for growth expectations over the next decade?
- What policy options are available to boost growth prospects in the post-pandemic world?

Contributions. This chapter contributes to the literature in several dimensions.

- *Impact of the pandemic on long-term growth prospects.* This chapter breaks new ground by examining the impact of the pandemic on long-term global growth prospects. Earlier studies, such as World Bank (2020a) and Dieppe (2020), estimated the impact of past economic disruptions on growth in the subsequent few years. This chapter focuses on growth prospects over the next decade.
- *Two measures of long-term growth prospects.* This chapter uses two measures of long-term growth prospects: model-based estimates of potential growth and survey-based long-term growth forecasts. The model-based potential growth estimates are intended to capture major long-term drivers of growth: investment, quantity and quality of labor supply, and total factor productivity (TFP). The survey-based long-term growth forecasts are intended to capture the expectations underlying the decisions of investors and households about investment and consumption.
- *Weaker-than-expected growth after adverse events.* This chapter builds on a literature on evidence for a tendency towards initial over optimism and subsequent disappointments by documenting how growth tends to be lower after adverse events and identifying the country features and circumstances that are most robustly associated with such growth outcomes. Previous studies have pointed to below-trend output and new IMF programs as correlates of disappointments (Ho and Mauro 2016). This chapter expands the range of correlates and compares them with current conditions. The patterns in disappointments serve as cautionary guidance to policy makers in countries that share these features and circumstances.
- *Possible over-optimism after the pandemic.* Previous research has established that growth forecasts over the past two to three decades have had a significant optimistic bias. Sizeable short-term forecast errors and a failure to predict business cycle turning points a year in advance have been documented in large cross-country datasets. Over-optimism—that is, disappointing growth outcomes compared to forecasts—has been documented for forecasts at the three-year horizon (Frankel 2011), five-year horizon (Pritchett and Summers 2014), and five- to ten-year horizon, with greater over-optimism as the forecast horizon expanded (Ho and Mauro 2016). This study is the first to examine the likely implications of such over optimism for the current recovery from the pandemic.
- *Reforms in the post-pandemic world.* This chapter examines the link between growth boosting reforms and long-term growth prospects. Econometric exercises examine the responses of investment and total factor productivity as well as long-term growth expectations to institutional reform advances and setbacks. A large literature on the link between specific reforms and growth is reviewed and its lessons are applied to the current growth outlook.

*(Source: World Economic Outlook: A World Bank Group Flagship Report: January 2021 ‘Global Economic Prospects’)*

## INDIAN ECONOMIC OUTLOOK

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

### Market size

India’s GDP (at constant 2011-12 prices) was estimated at Rs. 33.14 trillion (US\$ 452.74 billion) for the second quarter of FY2020-21, against Rs. 35.84 trillion (US\$ 489.62 billion) in the second quarter of FY2019-20.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report ‘Indian Tech Start-up’.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 581.131 billion in the week up to December 18, 2020 according to data from RBI.

### **Recent Developments**

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity–Venture Capital (PE-VC) companies expanded from US\$ 36.3 billion (1,012 deals) in 2019 to US\$ 39.2 billion (across 814 deals) in 2020. Some of the important recent developments in Indian economy are as follows:

- India's overall exports from April 2020 to November 2020 were estimated at US\$ 304.25 billion, (a 14.03% decrease over the same period last year). Overall imports from April 2020 to November 2020 were estimated at US\$ 290.66 billion, (a 29.96% decrease over the same period last year).
- According to IHS Markit, Purchasing Managers' Index (PMI) for manufacturing stood at 56.4 in December 2020, against 56.3 in November 2020, indicating a higher growth for manufacturers speeding up production and boosting efforts to rebuild their inventories.
- Gross tax revenue stood at Rs. 7.21 trillion (US\$ 98.50 billion) in the first six months of FY21.
- FDI inflows in India stood at US\$ 39.93 billion between April 2020 and September 2020, 10% higher than the first six months of 2019-20 (US\$ 36.05 billion).
- India's Index of Industrial Production (IIP) for October 2020 stood at 128.5, against 123.2 for September 2020.
- Consumer Food Price Index (CFPI) – combined inflation was 9.43% in November 2020, against 11.07% in October 2020.
- Consumer Price Index (CPI) – combined inflation was 6.93% in November 2020, against 7.61% in October 2020.

### **Government Initiatives**

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.

In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

### **Some of the recent initiatives and developments undertaken by the Government are listed below:**

- On January 6, 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million to upgrade the State Highway network and district road network in Andhra Pradesh.
- On January 5, 2021, the Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund Trust of the Prime Minister allocated Rs. 201.58 crore (US\$ 27.56 million) to establish 162 additional dedicated pressure swing adsorption (PSA) medical oxygen generation plants within the country's public health facilities.
- On January 5, 2021, a US\$ 105 million project to develop the inland water transport system in Kolkata, West Bengal, was signed by the Government of India, Government of West Bengal and the World Bank.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 231 million loan to boost electricity generation capacity in Assam through the establishment of a hydroelectric power plant of 120 megawatts (MW) that will strengthen household electricity availability.

- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 100 million loan to modernise and upgrade the power distribution system to boost the quality and efficiency of electricity supply in Bengaluru, Karnataka.
- In December 2020, the Indian cabinet approved assistance of ~Rs. 3,500 crore (US\$ 478.60 million) for sugarcane farmers (Ganna Kisan).
- The Prime Minister of India, Shri. Narendra Modi announced various economic packages worth ~Rs. 30 trillion (US\$ 410 billion), which was ~15% of India's GDP.
- In December 2020, the Government of India and New Development Bank (NDB) signed a loan agreement to lend US\$ 1 billion via the Mahatma Gandhi National Rural Employment Guarantee Scheme to support the 'Aatmanirbhar Bharat' initiative.
  - India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
  - The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
  - For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

## Road Ahead

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30%, and have plans to increase its renewable energy capacity from 175 gigawatt (GW) by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

(Source: <https://www.ibef.org/>)

## GLOBAL AGRICULTURE INDUSTRY

The financial crisis of 2008 and the consequent economic slowdown stalled the evolution of agri-food GVCs, and the COVID-19 pandemic is expected to disrupt their potential in global trade and growth further. GVCs foster trade linkages that act as channels of technology and knowledge diffusion during periods of economic growth; similarly, they can transmit economic shocks and their impacts. As firms address the trade-off between efficiency and resilience to the economic slowdown, they may pursue a process of localization of food production by reshoring activities for foods that allow it. Such strategies could significantly undermine efficiency gains that are associated with comparative advantage and could increase domestic food prices – which is undesirable in times of declining incomes. Relying on food and agriculture from domestic and multiple sources across the world is a form of resilience against food insecurity and economic downturns. Global shocks like the 2008 financial crisis and the COVID-19 pandemic require international collaboration and coordination rather than measures that promote self-sufficiency in food, especially when impacts are not occurring in all countries at the same time. Therefore, trade provides an efficient avenue to better manage risks arising from a shock and to increase resilience. In the context of COVID-19, efforts to minimize the disruption of GVCs and promote agricultural and food trade can generate both short- and long-term benefits.

(Source: 'The State of Agricultural Commodity Markets 2020' by the Food and Agriculture Organization of the United Nations <http://www.fao.org/3/cb0665en/CB0665EN.pdf>)

Global agricultural production has grown tremendously in recent decades, tripling between 1970 and 2016. While it currently constitutes only about 3.9% of global GDP, agriculture is the economic backbone of many developing countries. Agriculture contributes to about 25% of GDP in low-income countries as compared to only 1% of GDP in the European Union.

In low-income countries, employment in agriculture ranges from 17% on average in the Middle East and North Africa, to 55% on average in Sub-Saharan Africa. When agriculture becomes highly developed, as is the case in the United States and the European Union, it requires less labor, allowing workers to move to more economically productive sectors of the economy. Global agricultural production is expected to grow by 20% during the next decade. This growth is expected to come from more efficient farming techniques. One way for policy makers to support farmers in

their business activities is to enact regulation that is conducive to efficient access to agricultural inputs, such as seeds, fertilizer, animal feed, veterinary medicinal products and water. Regulation should also provide rules on how to bring produce to markets and get access to credit. These issues are at the core of Enabling the Business of Agriculture.

Where is regulation most favorable to farmers? The highest-scoring countries on the Enabling the Business of Agriculture indicators have regulation that caters to farmers' needs (table 2.1). The three top-scoring countries are member states of the European Union. France, Croatia and the Czech Republic showcase good regulatory practices as well as efficient administrative processes across a number of indicators. France has implemented robust regulations on supplying seed, registering fertilizer, securing water, sustaining livestock and protecting plant health. Croatia and the Czech Republic have efficient procedures to trade agricultural products. In both countries, exporters are not required to obtain any license or agriculture-specific documents for each export shipment, and they can apply for a phytosanitary certificate online. Seventeen of the top 20 countries are in Europe. Yet, no country has reached the best possible regulatory benchmark on all the indicators that are measured by Enabling the Business of Agriculture. All governments have room to improve laws, regulations and bureaucratic processes that affect domestic farmers. Fourteen Sub-Saharan African countries are among the 20 lowest-scoring countries. Sierra Leone, for instance, has no regulations on registering fertilizer, registering machinery, or protecting plant health.



Table 2.1 Country aggregate scores in *Enabling the Business of Agriculture*

| COUNTRY                | SCORE | COUNTRY         | SCORE | COUNTRY            | SCORE |
|------------------------|-------|-----------------|-------|--------------------|-------|
| Afghanistan            | 31.52 | Guatemala       | 65.11 | Panama             | 72.91 |
| Angola                 | 27.05 | Guinea          | 33.59 | Peru               | 61.96 |
| Argentina              | 76.00 | Haiti           | 19.51 | Philippines        | 68.03 |
| Armenia                | 67.41 | Honduras        | 49.13 | Poland             | 86.00 |
| Australia              | 82.73 | Hungary         | 91.77 | Portugal           | 89.82 |
| Austria                | 89.57 | India           | 62.23 | Romania            | 85.73 |
| Bangladesh             | 44.47 | Iraq            | 22.62 | Russian Federation | 72.64 |
| Belgium                | 87.68 | Ireland         | 85.77 | Rwanda             | 41.43 |
| Benin                  | 32.86 | Italy           | 87.47 | Senegal            | 43.98 |
| Bolivia                | 58.75 | Japan           | 83.96 | Serbia             | 81.35 |
| Bosnia and Herzegovina | 71.82 | Jordan          | 50.23 | Sierra Leone       | 27.70 |
| Brazil                 | 75.25 | Kazakhstan      | 68.01 | Slovak Republic    | 91.55 |
| Burkina Faso           | 35.30 | Kenya           | 64.80 | South Africa       | 68.73 |
| Burundi                | 35.76 | Korea, Rep.     | 65.09 | Spain              | 91.71 |
| Cambodia               | 35.95 | Kyrgyz Republic | 72.43 | Sri Lanka          | 50.16 |
| Cameroon               | 22.29 | Lao PDR         | 37.10 | Sudan              | 29.27 |
| Canada                 | 86.50 | Liberia         | 16.42 | Sweden             | 85.33 |
| Chile                  | 66.19 | Lithuania       | 86.34 | Switzerland        | 87.85 |
| China                  | 70.29 | Madagascar      | 36.26 | Tajikistan         | 43.19 |
| Colombia               | 81.53 | Malawi          | 41.51 | Tanzania           | 57.15 |
| Congo, Dem. Rep.       | 29.81 | Malaysia        | 51.68 | Thailand           | 58.51 |
| Côte d'Ivoire          | 45.87 | Mali            | 33.70 | Togo               | 25.42 |
| Croatia                | 92.68 | Mexico          | 69.46 | Tunisia            | 39.52 |
| Czech Republic         | 92.32 | Morocco         | 64.02 | Turkey             | 78.18 |
| Denmark                | 86.03 | Mozambique      | 50.97 | Uganda             | 52.15 |
| Dominican Republic     | 50.00 | Myanmar         | 31.27 | Ukraine            | 67.40 |
| Egypt, Arab Rep.       | 47.06 | Nepal           | 48.97 | United Kingdom     | 88.87 |
| Ethiopia               | 46.12 | Netherlands     | 90.69 | United States      | 88.76 |
| Finland                | 86.67 | New Zealand     | 89.30 | Uruguay            | 65.50 |
| France                 | 93.70 | Nicaragua       | 69.92 | Uzbekistan         | 41.62 |
| Georgia                | 63.53 | Niger           | 29.39 | Vietnam            | 61.41 |
| Germany                | 89.14 | Nigeria         | 49.17 | Zambia             | 63.73 |
| Ghana                  | 50.49 | Norway          | 84.57 | Zimbabwe           | 48.36 |
| Greece                 | 88.57 | Pakistan        | 48.87 |                    |       |

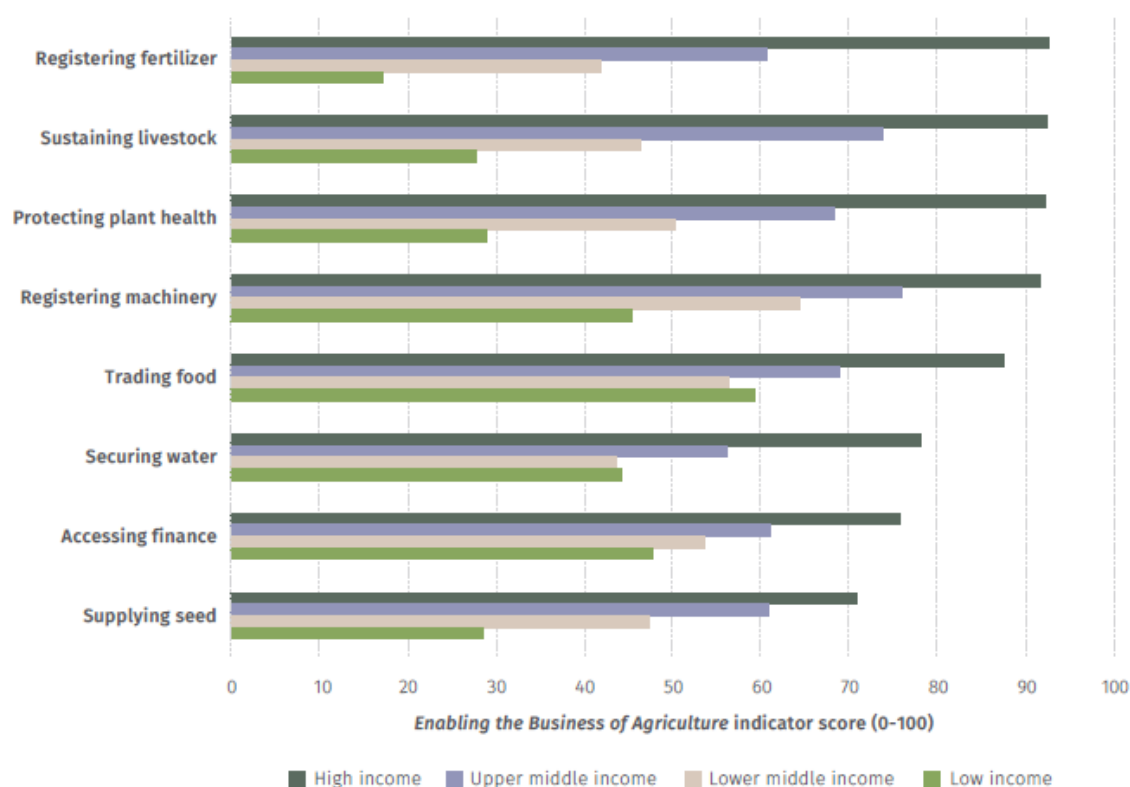
Source: *Enabling the Business of Agriculture* 2019 database.

There is an urgency to reform agribusiness regulation for a variety of reasons. Some countries have outdated legal provisions that do not cater to farmers' needs. Other countries have prohibitive bureaucratic obstacles that stifle agribusiness processes.

Between July 1, 2016, and June 30, 2018, 47 out of 101 countries in *Enabling the Business of Agriculture* implemented 67 regulatory reforms. More than half of the observed reforms were in the areas of supplying seed, protecting plant

health and accessing finance (table 2.2). Reforms captured by the protecting plant health indicator focused mostly on pest management, with one-third of the reforming countries establishing a requirement to report pest outbreaks. Burkina Faso, Burundi, Denmark, Greece and the Republic of Korea are among the 72 countries where citizens are subject to this reporting obligation. Across regions, Sub-Saharan Africa showed the highest pace of agricultural reforms, with half of the countries in the region making it easier for farmers to do business. Colombia, Ghana and Thailand are among the seven countries that improved the online availability of phytosanitary information, such as a regulated quarantine pest list or comprehensive information on plant pests and diseases. Kenya also started publishing its list of registered veterinary medicinal products on the website of the Pharmacy and Poisons Board. In the area of water management, Morocco now requires information on water resources to be made publicly available. Some countries also improved access to information by publishing official seed catalogues, which are now available in Burundi and Haiti. And farmers are benefiting from improved labeling requirements for fertilizer in Benin and for feed in Chile.

**Figure 2.2 Supplying seed is the most problematic area for farmers across all income groups**



Source: Enabling the Business of Agriculture 2019 database.

Note: The figure shows average scores across eight indicators. The country sample includes 32 high-income, 19 upper-middle-income, 27 lower-middle-income and 23 low-income countries.

A number of countries have taken steps to streamline regulatory processes affecting the production and sale of agricultural products. For example, Côte d'Ivoire, the Dominican Republic and Rwanda introduced electronic applications for the submission of phytosanitary certificates. Peru introduced a new “ePhyto” system, which includes applications for phytosanitary certificates as well as their issuance and exchange with certain trading partners. Such digital processes facilitate the timely exchange of information. Several other countries improved border control procedures. In Brazil and Burundi, for instance, the law now allows phytosanitary import inspections to be risk-based, which helps target consignments that are more likely to be either harmful to plant health or non-compliant with local regulation, increasing border efficiencies and improving resource allocation.

In Kenya and Tanzania, the seed registration process is shortened when results from tests performed in pre-approved countries in the region are available. Tanzania improved its fertilizer registration process, removing the time limit formerly applied to the registration of fertilizer products. Some countries also took steps to increase the transparency of fees related to agricultural activities. Bangladesh published fee schedules for obtaining a phytosanitary certificate. The Kyrgyz Republic made tractor registration fees publicly available. Niger began to publicize costs associated with seed certification.

By involving the private sector in decision making, eight countries enabled farmers to participate in the management of agricultural processes. Bangladesh, Honduras and Kenya allowed public seed authorities to accredit third parties to perform seed certification. Likewise, Guatemala, the Lao People's Democratic Republic and Sierra Leone now require the inclusion of farmers in water resource planning.

*(Source: World Bank Group)*

## **INDIAN AGRICULTURE INDUSTRY**

### **Introduction**

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added (GVA) by agriculture, forestry and fishing was estimated at Rs. 19.48 lakh crore (US\$ 276.37 billion) in FY20 (PE). Growth in GVA in agriculture and allied sectors stood at 4% in FY20. The agriculture, forestry and fishing gross value added (GVA) growth is likely to be 3% in the second quarter of FY21.

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

Essential agricultural commodities export for the April-September period of 2020 increased by 43% to Rs. 53,626 crore (US\$ 7.3 billion) over Rs. 37,397 crore (US\$ 5.1 billion) in the same period last year.

### **Market Size**

During 2019-20\* crop year, food grain production was estimated to reach a record 295.67 million tonnes (MT). In 2020-21, Government of India is targeting food grain production of 298 MT.

Production of horticulture crops in India was estimated at a record 320.48 million metric tonnes (MMT) in FY20 as per second advance estimates. India has the largest livestock population of around 535.78 million, which translates to around 31% of the world population. Milk production in the country is expected to increase to 208 MT in FY21 from 198 MT in FY20, registering a growth of 10% y-o-y.

Sugar production in India reached 26.46 MT between October 2019 and May 2020 sugar season according to Indian Sugar Mills Association (ISMA).

India is among the 15 leading exporters of agricultural products in the world. Agricultural export from India reached US\$ 38.54 billion in FY19 and US\$ 35.09 billion in FY20. The total agricultural export was US\$ 10.40 billion between April and October 2020.

The organic food segment in India is expected to grow at a CAGR of 10% during 2015-25 and is estimated to reach Rs. 75,000 crore (US\$ 10.73 billion) by 2025 from Rs. 2,700 crore (US\$ 386.32 million) in 2015.

### **Investments**

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 10.20 billion between April 2000 and September 2020.

Some major investments and developments in agriculture are as follows:

- In March 2020, F&S, the oldest large-scale fertiliser manufacturer in the country, crossed one million production and sales mark.
- Nestle India will invest Rs. 700 crore (US\$ 100.16 million) in construction of its ninth factory in Gujarat.
- In November 2019, Haldiram entered into an agreement for Amazon's global selling program to E-tail its delicacies in the United States.
- In November 2019, Coca-Cola launched 'Rani Float' fruit juices to step out of its trademark fizzy drinks.

- Two diagnostic kits developed by Indian Council of Agricultural Research (ICAR) - Indian Veterinary Research Institute (IVRI) and the Japanese Encephalitis IgM ELISA were launched in October 2019.
- Investment worth Rs. 8,500 crore (US\$ 1.19 billion) have been announced in India for ethanol production.

### **Government Initiatives**

Some of the recent major Government initiatives in the sector are as follows:

- In November 2020, the government inaugurated a mega food park in Punjab worth Rs. 107.83 crore (US\$ 14.6 million) that will be spread across over 55 acres of land.
- In October 2020, the Tribal Cooperative Marketing Development Federation of India (TRIFED) included 100 new Forest Fresh Organic Products sourced from tribes across India on its e-marketplace (tribesindia.com).
- In October 2020, Agri-lender Nabard (National Bank for Agriculture and Rural Development) proposed plans to set up a subsidiary to provide guarantee for loans under agriculture and rural development.
- In October 2020, the government announced that it is putting up a common data infrastructure for farmers in the country. PMFBY (Pradhan Mantri Fasal Bima Yojana), PM-Kisan and the Soil Health Card will be integrated through a common database, along with land record details.
- In September 2020, the government launched the PM Matsya Sampada Yojana, e-Gopala App and several initiatives in fisheries production, dairy, animal husbandry and agriculture. Under this scheme, an investment of Rs. 20,000 crore (US\$ 2.7 billion) will be made in the next 4-5 years in 21 states.
- In May 2020, Government announced the launch of animal husbandry infrastructure development fund of Rs. 15,000 crore (US\$ 2.13 billion).
- In September 2019, Prime Minister, Mr Narendra Modi launched National Animal Disease Control Programme (NADCP), expected to eradicate foot and mouth disease (FMD) and brucellosis in livestock. In May 2020, Rs. 13,343 crore (US\$ 1.89 billion) was allocated to the scheme.
- The Government of India came out with Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.
- The Agriculture Export Policy, 2018 was approved by the Government of India in December 2018. The new policy aimed to increase India's agricultural export to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- The Government of India is going to provide Rs. 2,000 crore (US\$ 306.29 million) for computerization of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology. The Government of India launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs. 50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- Government plans to triple the capacity of food processing sector in India from the current 10% of agriculture produce and has also committed Rs. 6,000 crore (US\$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100% FDI in marketing of food products and in food product E-commerce under the automatic route.

### **Achievements in the sector**

- In November 2020, the planting of winter crops exceeded by 10% compared with the last year and witnessed 28% increase in area under pulses. The total area acreage under pulses increased to 8.25 million hectares from 6.45 million hectares last year.
- Out of the total 37 mega food parks that were sanctioned, 21 mega food parks are operational, as of November 2020.
- In November 2020, Minister of Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal announced that the Food Cooperation of India and state agencies are set to procure a record quantity of 742 LMT (lakh metric tonnes) paddy during the ongoing Kharif crop season as against 627 LMT paddy last year.
- The Electronic National Agriculture Market (e-NAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing APMCs. It had 16.6 million farmers and 131,000 traders registered on its platform until May 2020. Over 1,000 mandis in India are already linked to e-NAM and 22,000 additional mandis are expected to be linked by 2021-22.
- Sale of tractors in the country stood at 804,000 units in 2019 with export of 80,475 units.
- During FY20 (till February 2020), tea export stood at US\$ 709.28 million.
- Coffee export stood at US\$ 742.05 million in FY20.

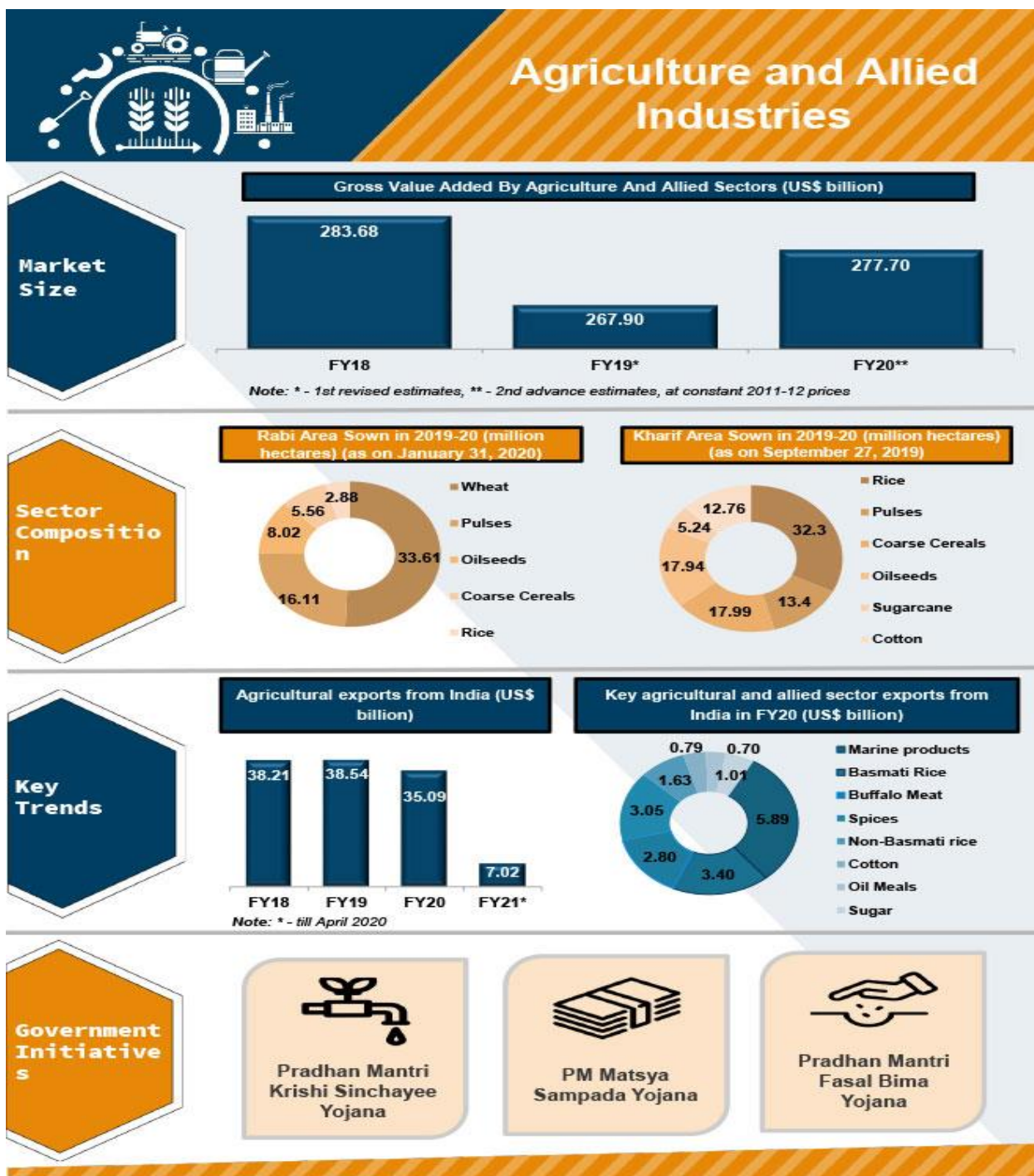
## **Road Ahead**

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

In the next five years, the central government will aim US\$ 9 billion in investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakh tonnes by 2024-25.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits. The agri export from India is likely to reach the target of US\$ 60 billion by the year 2022.

*(Source: <https://www.ibef.org/>)*



India has the 10th-largest arable land resource in the world. With 20 agri-climatic regions, all the 15 major climates in the world exist in India. The country also has 46 of the 60 soil types in the world. India is the largest producer of spices, pulses, milk, tea, cashew, and jute, and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton, and oilseeds. Further, India is second in the global production of fruits and vegetables and is the largest producer of mango and banana. During 2019-20\* crop year, food grain production was estimated to reach a record 295.67 million tonnes (MT). In 2020-21, Government of India is targeting food grain production of 298 MT.

Total area sown with kharif crops reached 88.21 million hectares by the end of July 2020. As of August, it grew 10% higher year-on-year due to early onset of monsoon, higher minimum support price for some crops and reverse migration of labourers.

Production of horticulture crops in India reached a record 320.5 million metric tonnes (MMT) in 2019-20 (as per second advance estimates), growing at a CAGR of 3.13% during FY16-20. The production of fruits, flowers, spices

and honey is expected to rise. India has the largest livestock population of around 535.78 million, which translates to around 31% of the world population. Milk production in the country is expected to increase to 208 MT in FY21 from 198 MT in FY20, registering a growth of 10% y-o-y.

India can be among the top five exporters of agro-commodities by shifting its focus on cultivation and effectively handholding farmers, according to the World Trade Centre. Total agricultural export from India grew at a CAGR of 2.27% during FY16-20 to reach US\$ 35.09 billion in FY20. India's spices export increased by 23% to Rs. 2,690 crore (US\$ 359 million) in June 2020 from Rs. 2,190 crore (US\$ 292 million) in the same month last year. The Agriculture Export Policy, 2018 aimed to increase India's agricultural export to Rs. 4,19,340 crore (US\$ 60 billion) by 2022. Government aims to raise fishery export from India to Rs. 1 lakh crore (US\$ 14.31 billion) by 2024-25.

According to Department for Promotion of Industry and Internal Trade (DPIIT), Indian food processing industry attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 10.15 billion between April 2000 and June 2020.

Gross Value Added by agriculture, forestry, and fishing was estimated at Rs. 19.48 lakh crore (US\$ 276.37 billion) in FY20 (PE). Growth in Gross Value Added (GVA) by agriculture and allied sectors grew 4% y-o-y in FY20.

In October 2020, Agri-lender Nabard (National Bank for Agriculture and Rural Development) proposed plans to set up a subsidiary to provide guarantee for loans under agriculture and rural development.

The Electronic National Agriculture Market (e-NAM), launched in April 2016 to create a unified national market for agricultural commodities by networking existing Agriculture Produce Marketing Committees (APMCs), had 16.6 million farmers and 131,000 traders registered on its platform until May 2020. Over 1,000 mandis in India are already linked to e-NAM and 22,000 additional mandis are expected to be linked by 2021-22.

The Government of India has introduced several projects to assist the agriculture sector. Pradhan Mantri Gram Sinchai Yojana (PMGSY) aims to irrigate the field of every farmer and improve water use efficiency to achieve the motto, 'Per Drop More Crop'. Overall, the scheme ensures improved access to irrigation. In the Union Budget 2019-20, the scheme was allocated Rs. 3,949.90 crore (US\$ 565.16 million). As per Union Budget 2020-21, Rs. 2.83 lakh crore (US\$ 40.06 billion) has been allocated to the Ministry of Agriculture and Rs. 1,233 crore (US\$ 176.42 million) has been allocated to the Ministry of Food Processing. PM-KUSUM scheme was expanded to provide 20 lakh farmers for setting up stand-alone solar pumps and help another 15 lakh farmers to solarise their grid-connected pump sets.

In September 2020, the government launched the PM Matsya Sampada Yojana, e-Gopala App and several initiatives in fisheries production, dairy, animal husbandry and agriculture. Under this scheme, an investment of Rs. 20,000 crore (US\$ 2.7 billion) will be made in the next 4-5 years in 21 states.

In June 2020, Government introduced Pradhan Mantri Formalization of Micro Food Processing Enterprises (PM-FME) scheme. It is expected to generate total investment of Rs. 35,000 crore (US\$ 4.97 billion), generate 9 lakh skilled and semi-skilled employment, and benefit 8 lakh units through access to information, training, better exposure, and formalization.

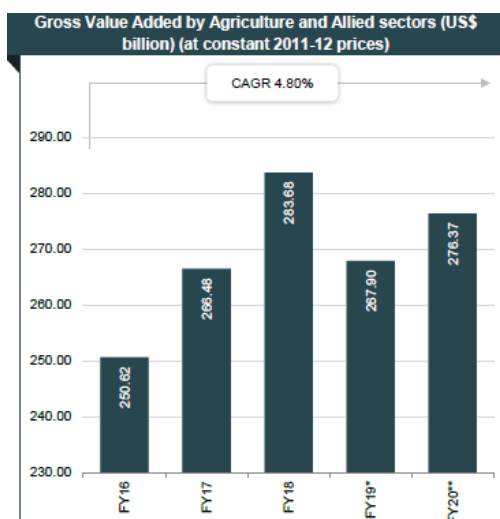
In May 2020, the Government announced the launch of animal husbandry infrastructure development fund of Rs. 15,000 crore (US\$ 2.13 billion).

*Note: \*- as per 3rd advance estimate*

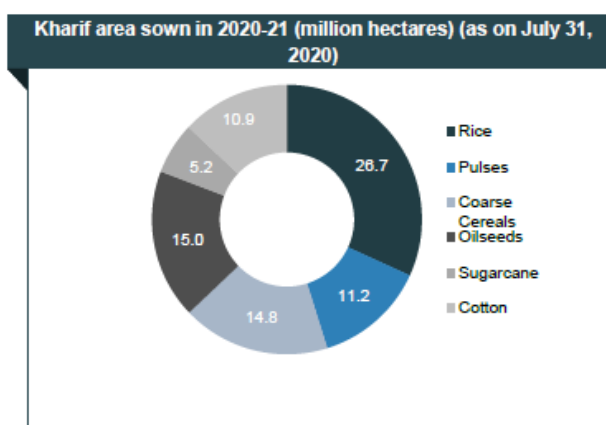
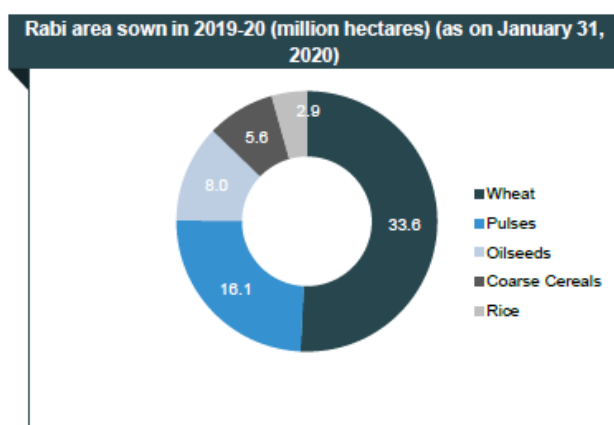
### **Market Overview - Agriculture**

- Agriculture is the primary source of livelihood for about 58% of India's population.
- Gross Value Added by agriculture, forestry and fishing was estimated at Rs. 19.48 trillion (US\$ 276.37 billion) in FY20\*
- Agriculture and Allied sector's GVA at constant 2011-12 prices grew at a CAGR of 4.80% between FY16-20.
- As per Union Budget 2020-21, allocation of Rs. 2.83 lakh crore (US\$ 40.06 billion) was made to the Ministry of Agriculture.
- Agriculture, forestry and fishing sector grew 4% 2019-20
- Essential agricultural commodities export for April-September 2020 increased by 43% to Rs. 53,626 crore (US\$ 7.3 billion) over Rs. 37,397 crore (US\$ 5.1 billion) in the same period last year.



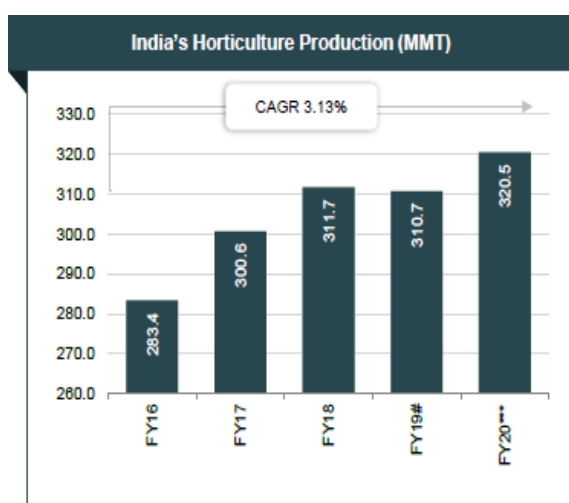


### Major Seasons: Kharif And Rabi



- There are two major agricultural seasons in India: Kharif and Rabi.
- Kharif season lasts from April to September (summer) – rice (paddy) is the season's main crop.
- Rabi season lasts from October to March (winter)-wheat is the season's main crop.
- Total areas own with kharif crops reached 110 million hectares by the end of September 2020. Ministry of Agriculture and Farmers Welfare has pegged the food grain output for kharif 2020-21 season at 144.5mt.

### Increasing Production



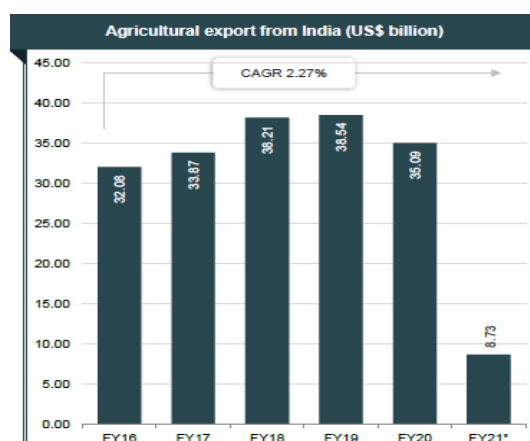
### Foodgrains and Commercial Crops Production (MT)

| Crop                                        | 2017-18* | 2018-19** | 2019-20*** |
|---------------------------------------------|----------|-----------|------------|
| Rice                                        | 112.76   | 116.48    | 117.94     |
| Wheat                                       | 99.87    | 103.67    | 107.18     |
| Total Cereals                               | 259.60   | 263.14    | 272.66     |
| Total Pulses                                | 25.42    | 22.08     | 23.01      |
| Total Foodgrains                            | 285.01   | 285.21    | 295.67     |
| Total Oilseeds                              | 31.45    | 31.52     | 33.50      |
| Sugarcane                                   | 379.90   | 405.41    | 358.13     |
| Cotton (million bales of 170 kg each)       | 32.80    | 28.04     | 36.04      |
| Jute & Metsa (million bales of 180 kg each) | 10.03    | 9.82      | 9.92       |



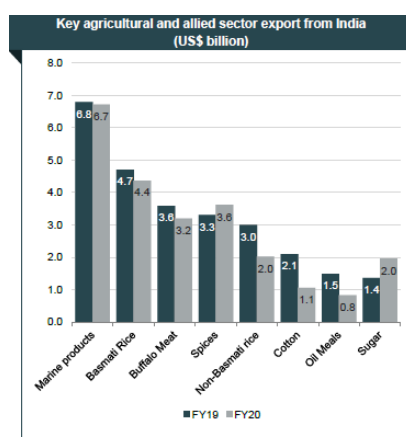
- Since 2010, production as well as yield of both major crops-rice and wheat have increased significantly. As per the third advance estimates, production of rice was estimated at record 117.94 million tonnes (MT) while production of wheat was estimated at 107.18 MT during 2019-20 crop year.
- India ranks second in global production of fruits and vegetables and is a leading exporter of mangoes and bananas.
- Production of horticulture crops in India reached a record 320.5 million metric tonnes (MMT) in 2019-20\*\*\*, growing at a CAGR of 3.13% during FY16-20

#### Surge In Demand Of Indian Agricultural Products...(1/2)



- Total agricultural export from India grew at a CAGR of 2.27% during FY16-20 to reach US\$35.09 billion in FY20.
- India can be among the top five exporters of agro-commodities by shifting its focus on cultivation and effectively hand holding farmers: World Trade Centre.
- The Agriculture Export Policy, 2018 was approved by the Government of India in December 2018. The new policy aimed to increase India's agricultural export to US\$60 billion by 2022 and US\$100 billion in the next few years with a stable trade policy regime.
- The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture export.
- Government aims to raise fishery export from India to Rs.1 lakh crore (US\$14.31 billion) by 2024-25.

#### Surge In Demand Of India Agricultural Products...(2/2)



- Marine products, buffalo meat and rice are the largest agricultural export items in terms of value. Other major export items are spices, cotton, oil products and sugar.
- Marine products export reached US\$6.7 billion, followed by basmati rice at US\$4.4 billion and buffalo meat at US\$3.2 million in FY20.
- During FY 20, tea export stood at US\$826.47 million. Coffee export stood at US\$742.05 million in FY20.
- India's spices export increased by 23% to Rs.2,690 crore (US\$359 million) in June 2020 from Rs.2,190 crore (US\$292 million) in the same month last year.

**Key agricultural and allied sector export from India in FY21\***

| Crop                           | US\$ million |
|--------------------------------|--------------|
| Rice                           | 4,747.46     |
| Spices                         | 2,253.28     |
| Oil Meals                      | 562.99       |
| Oil Seeds                      | 608.44       |
| Fruits & Vegetables            | 1,352.68     |
| Marine Products                | 3,393.93     |
| Meat, dairy & poultry products | 1,977.68     |

**Notes:**\* From April 2020 till October 2020

**Source:** Ministry of Agriculture and Farmers' Welfare, APEDA, Ministry of Commerce

(Source: <https://www.ibef.org/industry/agriculture-presentation>)

COVID-19 pandemic has influenced the lives of people across the globe and India is no exception to that. The farming activities also experienced the impact of this pandemic as the COVID induced lockdowns influenced the movement of farm inputs including farm machinery from one location to other. The national lockdown coincided with the commencement of the harvesting season for the Rabi crops creating further adversity for the sector. Migration of agricultural labourers to their native places during the lockdown created a shortage of farm labourers. India's agricultural system demonstrated its resilience amid such adversities. The agriculture and allied sectors were the sole bright spot amid the slide in performance of other sectors, clocking a growth rate of 3.4 per cent at constant prices during 2020-21. Against all adversities due to COVID-19, continuous supply of agriculture commodities, especially staples like rice, wheat, pulses and vegetables, has been maintained thereby enabling food security. In order to further strengthen and support the agricultural sector, several initiatives have been taken by the Government of India under the Atma Nirbhar Bharat Abhiyan (Box 1).

| <b>Box 1: Major Announcements for Agriculture and Food Management under the Atma Nirbhar Bharat Abhiyan</b>       |                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Announcement</b>                                                                                               | <b>Objectives</b>                                                                                                                                                                        |
| ₹1 lakh crores Agri Infrastructure Fund                                                                           | Financing will be provided for funding agriculture infrastructure projects at farm-gate & at aggregation points and for financially viable post-harvest management infrastructure.       |
| ₹10,000 crores scheme for Formalisation of Micro Food Enterprises (MFE)                                           | Aiding 2 lakh MFEs who need technical upgradation to attain FSSAI food standards, build brands and support marketing.                                                                    |
| ₹20,000 crores for fisherman through Pradhan Mantri Matsya Sampada Yojana (PMMSY)                                 | It aims at integrated, sustainable and inclusive development of marine and inland fisheries by developing infrastructure such as fishing harbours, cold chain, markets, etc              |
| National Animal Disease Control Programme                                                                         | It targets Foot and Mouth Disease (FMD) and Brucellosis by ensuring 100 per cent vaccination of cattle, buffalo, sheep, goat and pig population.                                         |
| Animal Husbandry Infrastructure Development Fund - ₹15,000 crores                                                 | It is to support private investment in dairy processing, enable value addition and improved cattle feed infrastructure                                                                   |
| From 'TOP' to TOTAL                                                                                               | "Operation Greens" run by Ministry of Food Processing Industries (MOFPI) to be extended from tomatoes, onion and potatoes to ALL fruit and vegetables                                    |
| Reforms in Essential Commodities Act, Agriculture Marketing and Agriculture Produce Pricing and Quality Assurance | These legislative reforms seek to remove agricultural commodities such as cereals, pulses, oilseeds etc. from the list of essential commodities and aim to reform agricultural marketing |
| PM Garib Kalyan Ann Yojana                                                                                        | The scheme aimed at ensuring food and nutritional security to around 80 crores ration card holders who were affected due to the COVID-19 induced national lockdown                       |
| One Nation One Ration Card Scheme                                                                                 | This scheme will enable migrant workers and their family members to access PDS benefits from any fair price shop in the country.                                                         |

## Gross Value Added in Agriculture

As per the provisional estimates of national income released by CSO on 29th May, 2020, the share of agriculture and allied sectors in Gross Value Added (GVA) of the country at current prices is 17.8 per cent for the year 2019-20. GVA of agriculture and allied sectors and its share in total GVA of the country during the last six years at current prices is as given in Table 1.

**Table 1: Share of Agriculture and Allied Sectors in Total GVA at current prices**

| Items                                                                          | Year    |         |          |          |          |           |
|--------------------------------------------------------------------------------|---------|---------|----------|----------|----------|-----------|
|                                                                                | 2014-15 | 2015-16 | 2016-17* | 2017-18# | 2018-19@ | 2019-20** |
| Share of GVA of Agriculture & Allied Sector in GVA of Total Economy (per cent) | 18.2    | 17.7    | 18.0     | 18.0     | 17.1     | 17.8      |
| Share of Crops                                                                 | 11.2    | 10.6    | 10.6     | 10.4     | 9.4      | NA        |
| Share of Livestock                                                             | 4.4     | 4.6     | 4.8      | 5.1      | 5.1      | NA        |
| Share of Forestry & logging                                                    | 1.5     | 1.5     | 1.5      | 1.4      | 1.3      | NA        |
| Share of Fishing & aquaculture                                                 | 1.0     | 1.1     | 1.1      | 1.2      | 1.2      | NA        |

Source: Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW).

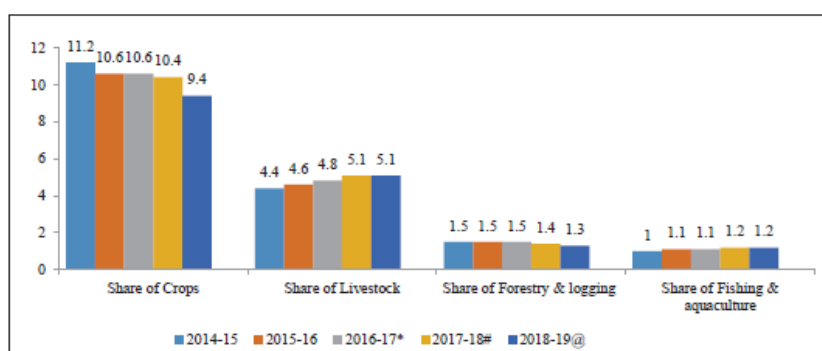
Note:\*\* As per the Provisional Estimates of Annual National Income 2019-20 released by CSO on 29th May 2020.

@As per the First Revised Estimates of National Income, Consumption Expenditure, Saving and capital Formation for 2018-19 released on 31st January, 2020. # Second Revised Estimate. \* Third Revised Estimate.

NA- Data not available.

The share of agriculture and allied sectors in GVA of the country has declined from 18.2 per cent in 2014-15 to 17.8 per cent in 2019-20 (Table 1), an inevitable outcome of a development process in which the relative performance of non-agricultural sectors becomes more dominant. Within the agriculture sector, the share of crops has fallen from 11.2 per cent in 2014-15 to 9.4 per cent in 2018-19. The decline in the share of crops has been made up by an increase in the share of livestock and fisheries sectors.

**Figure 1: Share of Agriculture and Allied Sectors in Total GVA of the Country at Current Prices (in per cent)\***



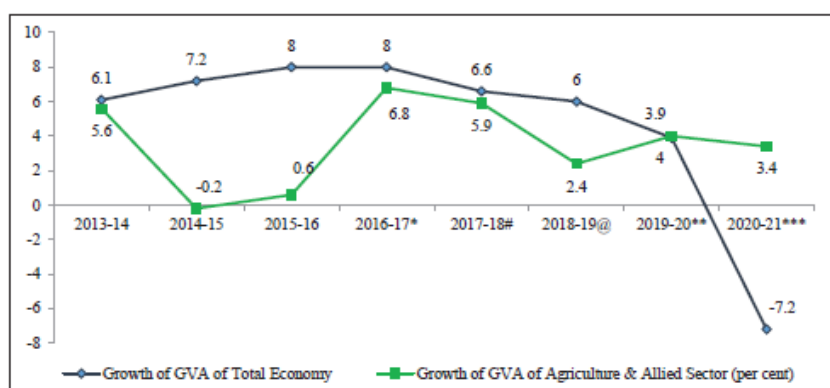
Source: Created from the data in Table 1.

\*All the symbols attached with the years in the graph denote the same as indicated in Table 1.

## Growth in Agriculture & Allied Sectors

The growth in GVA of agriculture and allied sectors has been fluctuating over time (Figure 2). However, during 2020-21, while the GVA for the entire economy contracted by 7.2 per cent, growth in GVA for agriculture maintained a positive growth of 3.4 per cent.

**Figure 2: Growth of GVA of Economy and Agriculture & Allied Sectors at Constant (2011-12) Prices (In per cent)**



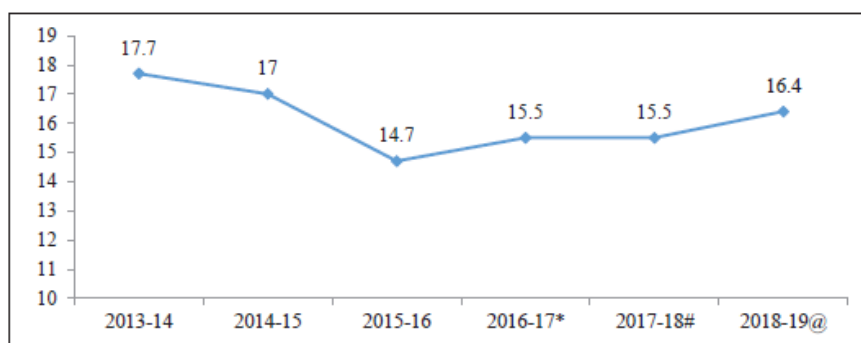
Source: Based on data received from DAC&FW.

Note: \*\*As per the Provisional Estimates of Annual National Income 2019-20 released by CSO on 29th May 2020. @As per the First Revised Estimates of National Income, Consumption Expenditure, Saving and capital Formation for 2018-19 released on 31st January, 2020. # Second Revised Estimate. \* Third Revised Estimate. \*\*\* First Advance Estimates of National Income released on 7th January, 2021.

### Gross Capital Formation

Gross Capital Formation (GCF) in the agriculture and allied sector as a proportion to GVA has been showing a fluctuating trend from 17.7 per cent in 2013-14 to 16.4 per cent in 2018-19, with a dip to 14.7 per cent in 2015-16. The share of GCF of the agriculture & allied sector to GVA of agriculture & allied sector for the years 2013-14 to 2018-19 at 2011-12 basic prices is shown in Figure 3.

**Figure 3: GCF of Agriculture & Allied Sector as percentage of GVA of Agriculture & Allied Sector (at 2011-12 basic prices)**



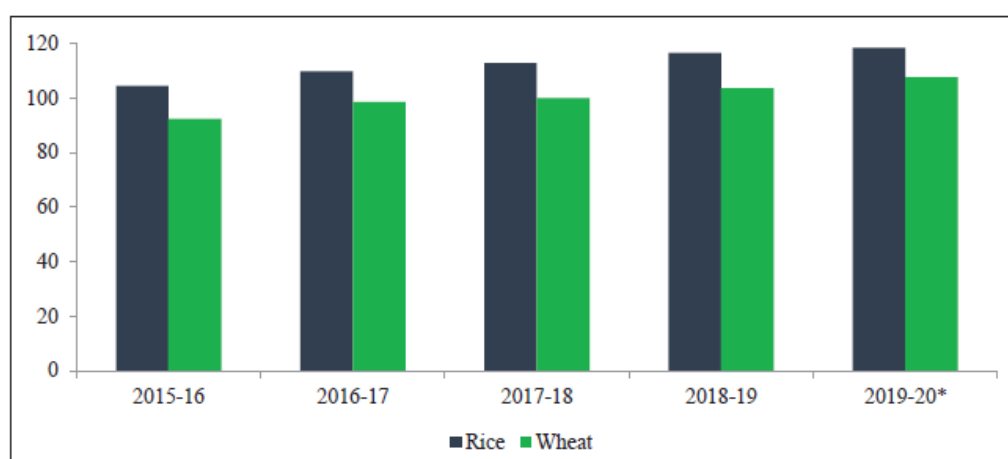
Source: Based on data received from DAC&FW.

@As per the First Revised Estimates of National Income, Consumption Expenditure, Saving and capital Formation for 2018-19 released on 31st January, 2020. # Second Revised Estimate. \* Third Revised Estimate.

### Production of Crops

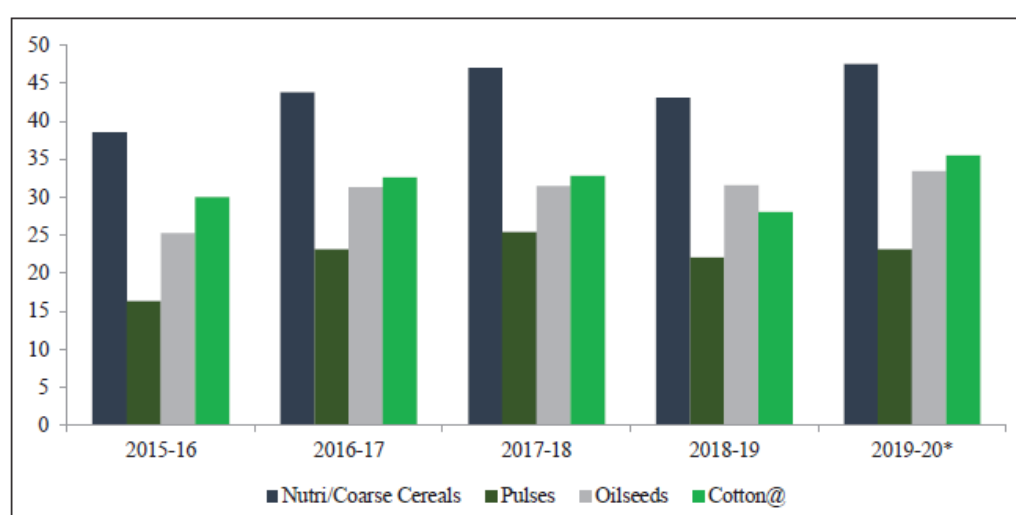
In the year 2019-20 (as per fourth advance estimates), total food grain production in the country is estimated at record 296.65 million tonnes which is higher by 11.44 million tonnes than the production of food grain of 285.21 million tonnes achieved during 2018-19. Further, the production during 2019-20 is higher by 26.87 million tonnes than the previous five years' (2014-15 to 2018-19) average production of 269.78 million tonnes. A diagrammatic trend in output of major crops for the last five years are shown in Figure 4 and Figure 5.

**Figure 4: Trend in Production of Rice and Wheat Crops (Quantity in Million Tonnes)**



Source: Created from the data of the 1st Adv. Estimate released dated 22.09.2020  
\*4th Advanced Estimates.

**Figure 5: Trend in Production of Other Major Crops (Quantity in Million Tonnes)**

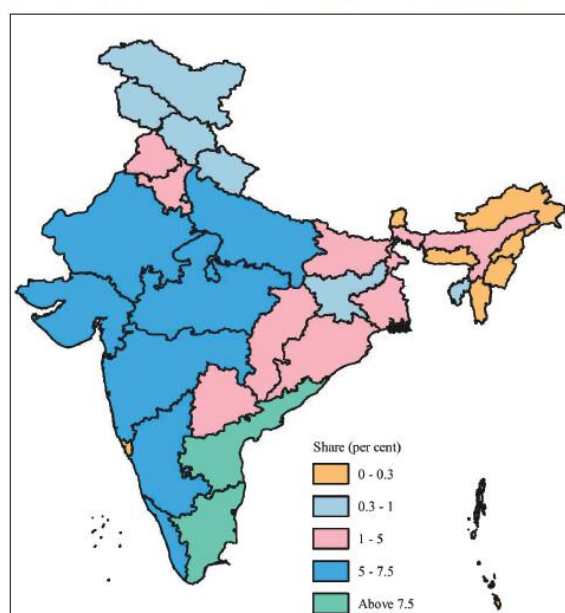


Source: Created from the data of the 1st Adv. Estimate released dated 22.09.2020  
\*4th Advanced Estimates. @ Production of cotton is in million bales.

## Agricultural Credit

Given the large proportion of resource constrained small and marginal farmers in India, timely availability of adequate credit is fundamental for the success of farming activities. The agricultural credit flow target for the year 2019-20 was fixed at ₹13,50,000 crores and against this target the achievement was ₹13,92,469.81 crores. The agriculture credit flow target for 2020-21 was fixed at ₹15,00,000 crores and till 30th November, 2020 a sum of ₹9,73,517.80 crores was disbursed. The Agriculture Infrastructure Fund announced as a part of Atma Nirbhar Bharat Abhiyan will further boost credit flow to the agriculture sector (Box 2). The regional distribution of the agricultural credit has, however, been skewed in favour of the Southern Region. The share of north-eastern states has been very low (Map 1).

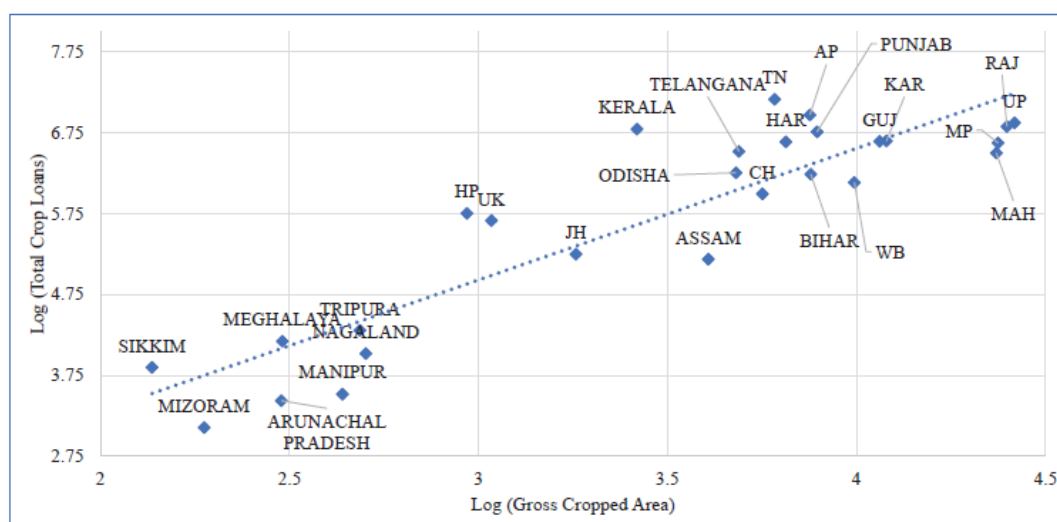
Map 1: Regional Distribution of Agricultural Credit in India in 2020-21.



Source: Based on data received from DAC&FW

During the year 2020-21, in the total disbursement as on 30th November, 2020, the share of southern region in agricultural credit was more than 40 per cent while it was less than 2 per cent for the north-eastern region (NER). This low coverage of the agricultural credit in NER is because the total cultivable area in North Eastern States is only about 2.74 per cent of the total GCA of the country. Moreover, community ownership of land is prevalent in most of the NE States. These two factors affected the intake of Kisan Credit Card (KCC) loans in NER as these loans are given against land documents. The credit disbursement in the agriculture sector is in fact positively related to gross cropped area as shown in Figure 6.

Figure 6: Credit Disbursement and Gross Cropped Area are Positively Related



Source: Based on data received from DAC&FW

### Box 2: Agriculture Infrastructure Fund

Hon'ble Finance Minister on 15.05.2020 announced a ₹1 lakh crore Agriculture Infrastructure Fund for creation of farm-gate infrastructure for farmers. Accordingly, central sector scheme of financing facility under Agriculture Infrastructure Fund was formally launched by the Hon'ble Prime Minister of India on 09.08.2020.

This scheme is operational from the year 2020-21 to 2029-30. The scheme provides for medium to long term debt financing facility for investment in viable projects for post-harvest management infrastructure and community farming assets Under the scheme, ₹1 lakh crores will be provided by banks and financial institutions as loans to

primary agricultural credit societies (PACS), marketing cooperative societies, farmer producers organizations (FPOs), self help group (SHG), farmers, joint liability groups (JLG), multipurpose cooperative societies, agri-entrepreneurs, startups and central/ state agency or local body sponsored public private partnership project, etc.

All loans under this financing facility will have interest subvention of 3 per cent per annum up to a limit of ₹2 crores. This subvention will be available for a maximum period of 7 years. Further, credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to ₹2 crores.

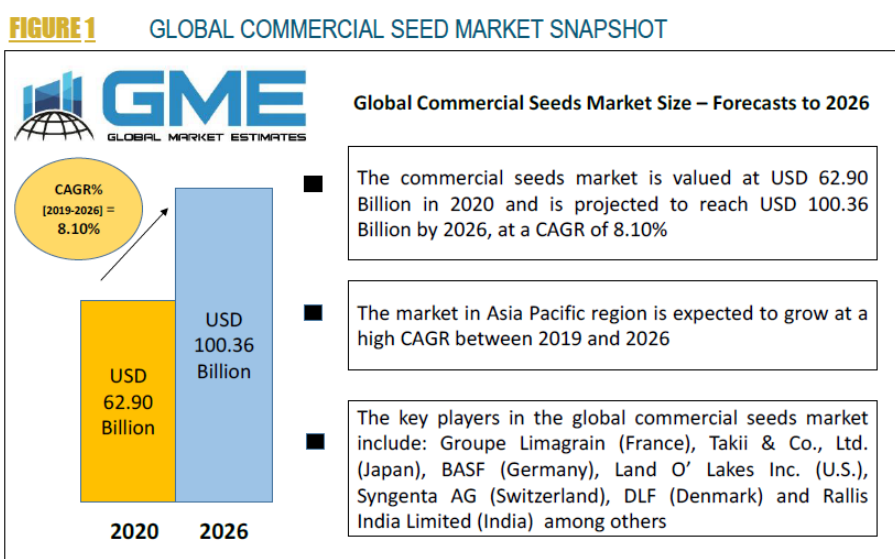
Memorandum of Understandings (MoUs) with all 12 public sector banks and 11 private sector banks have been signed by DAC&FW. A portal for the scheme has been created. As on 15.01.2021, ₹2991 crores has been 'in principle' sanctioned under the scheme to 3055 PACS by NABARD. PACS have submitted 3774 applications for loan amount of ₹2741 crores. 1695 applications have been received through the portal from entities other than PACS of which 964 applications seeking loan of ₹934 crores have been prima facie found eligible and sent to respective banks. Out of 964 applications, 230 have been sanctioned a loan amount of ₹235 crores by banks.

(Source: *Economic Survey 2020-2021*)

## GLOBAL SEED MARKET

The global commercial seed market is expected to generate revenue amounting to USD 62.90 billion in 2020, and is projected to reach USD 100.36 billion by 2026, growing at a CAGR of 8.10% over the forecast period. Increasing population and rise in demand for food grains is driving the demand for the commercial seed market. Increase in demand for biofuels to increase production of crops such as corn, rice, and wheat among others is driving the market growth. Also, increase in seed replacement rate, organic farming, and the advent of molecular breeding technology in seed are some of the major factors expected to drive the market growth during the forecast period.

Rising awareness for protein- and vitamin-rich diets across various regions including North America, Europe, Asia Pacific, and Central & South America is further projected to propel the market growth for commercial seed. According to the World Resources Institute (WRI), significant strategies must be adopted to reduce the greenhouse gas emissions from agricultural production to tackle climate change. The increasing number of health-conscious among consumers, along with growing awareness about the adverse effects of trans-fatty acids is expected to propel the market growth during the forecast period. However, the uncertainty in climatic conditions are likely to hamper the market growth over the coming years.



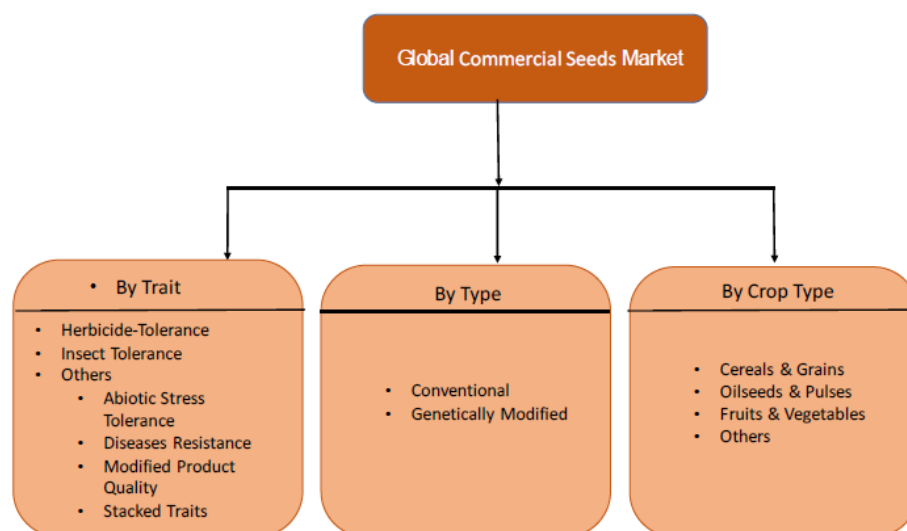
The global commercial seed market is segmented on the basis of trait into herbicide-tolerance, and insect tolerance among others. The others segment is further segmented into abiotic stress tolerance, diseases resistance, modified product quality, and stacked traits. The others segment is expected to hold the largest market share in the global commercial seed market during the forecast period. Growing preference of multiple stacked traits are driving the market growth.



On the basis of crop type, the global commercial seed market is segmented into cereals & grains, oilseeds & pulses, and fruits & vegetables among others. The cereals & grains segment is expected to hold the largest market share during the forecast period. Growing consumption of cereals and grains across the globe is expected to propel the market growth during the forecast period. The oilseeds & pulses segment is projected to grow at a significant CAGR during the forecast period. Increasing cooking oil manufacturing companies along with growing food industry are the major factors driving the market for oilseeds segment. Growing use of grains as a staple food across the developing nations including India, China, Japan, and South Korea among others is driving the market growth.

On the basis of type, the global commercial seeds market is segmented into conventional and genetically modified. Conventional segment is estimated to hold the largest market share in the commercial seeds market. Conventional type includes seeds of cotton, maize, cereals, and vegetables, among others. Increased demand for organic products, easy & cheap availability and the emergence of hybrid seeds leads to the growth of this segment. Genetically modified segment is also anticipated to witness considerable growth over the forecast period. Genetically modified seeds are seeds with better genetic material and provide high yields. These seeds result in low production costs, reduces the use of pesticides, and fewer pest problems, which in turn increases its demand, and hence the growth of the market.

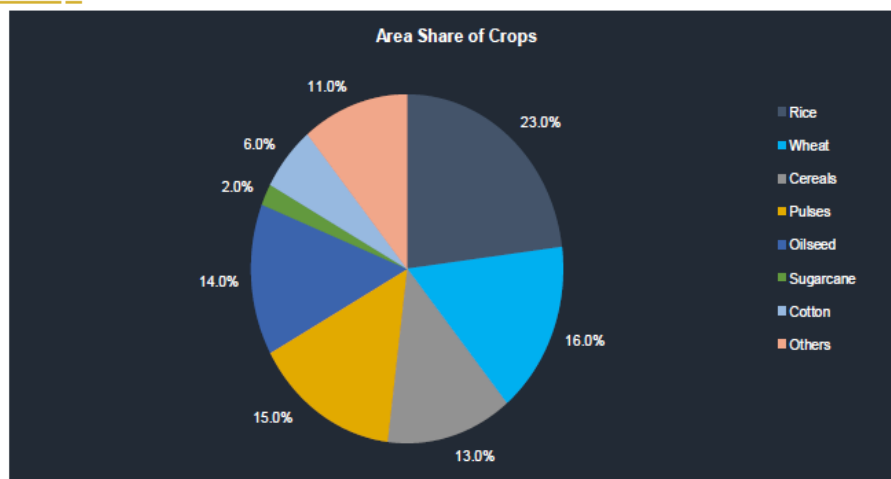
**FIGURE 2** GLOBAL COMMERCIAL SEED MARKET SEGMENTATION SNAPSHOT



Asia Pacific region is expected to grow at a high CAGR during the forecast period. Growing developments in the agriculture industry and increased awareness among farmers are driving the market growth in the region. The growing trend of organic farming in the developing economics such as China, India, Japan and South Korea is further propelling the market growth in the Asia Pacific region. The market for commercial seeds in the region is majorly dominated by China, India, and Japan. Growing number of population coupled with technological advancement in the field of agriculture industry, are some of the major factors influencing the market growth of seed coating. According to National Bureau of Statistics (NBS), China's agriculture sector has seen rapid growth over the past 70 years, with grain output expanding 4.8 times. According to a recent survey, China's grain output grew at an average annual rate of 2.6 percent from 1949 to reach 658 billion kg in 2018. According to the data published by India Brand Equity Foundation (IBEF), during 2019 crop year, food grain production was estimated at a record 283.37 million tons. In 2020, Government of India is targeting food grain production of 291.1 million tons.



**FIGURE 6** % SHARE OF CROPS IN INDIA



(Source: Global Market Estimates Research and Consultants)

### ISF appeals for recognition, implementation of IPPC standards for seed

In response to increasingly restrictive phytosanitary measures being implemented on seed imports in many countries, the International Seed Federation (ISF) is calling on governments “to recognize and implement international standards drafted by the International Plant Protection Convention (IPPC), including ISPM 38 and 11, in order to facilitate international agricultural trade and deliver food security.” The appeal, expressed in a statement on February 15, asks that “when assessing pest risk and determining appropriate phytosanitary measures to apply, governments should always consider the intended use of the seeds and the adoption of multiple equivalent options so as not to create additional barriers to international trade. Governments should also refrain from introducing prescriptive seed testing protocols that have not been validated internationally. In some instances, phytosanitary measures that are being imposed are not even necessary, as seed is not a pathway for the entry, establishment or spread of the pest in question.

### Pest screening for seed imports ramps up: January 2021

From April 1, all phytosanitary certificates issued for EU-bound seeds of tomato (*Solanum lycopersicum*), as well as peppers (*Capsicum* spp.) must be based on a PCR lab report certifying the seed as free of Tomato brown rugose fruit virus (ToBRFV). This is in addition to other strict declarations and requirements related to seed production, inspection, origin and traceability, as initially mandated in an EU regulation announced last August. Seed industry reps were informed about the new EU seed import requirements through a memo circulated in January, which linked to details of amendments to the regulation, “Implementing Regulation (EU) 2020/1191 on measures to prevent the introduction into and the spread within the Union of Tomato brown rugose fruit virus (ToBRFV)” Previously-accepted ELISA test results will no longer be sufficient to meet import requirements. In related news, new testing and declaration requirements for the import of seeds of solanaceous and other economically important crop species have recently been announced through WTO Notifications from Thailand, Turkey, Japan and Chinese Taipei (Taiwan, China). See the respective news sections of the former three countries below for more details, and for Thailand, go to Thailand news industry page for original announcement news, published by APSA in January.

(Source: <https://web.apsaseed.org/news/international-seed-industry>)

## INDIAN SEED INDUSTRY

### Evolution of Indian seed industry and major regulatory changes

| 1960s – Mid 1980s                                          | Mid 1980s – 1990s                                        | Current Status                                                   |
|------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------|
| Strict regulatory regime: Seed Act, 1966; Seed Rules, 1968 | Seed Industry boom due to several government initiatives | Private Sector accounts for ~80% turnover in seed Industry       |
| Minimal Private Sector participation                       | Foreign direct investment allowed and encouraged         | Almost 1/3 companies have a global technology/ financial partner |

| 1960s – Mid 1980s                                                                        | Mid 1980s – 1990s                                                                                                | Current Status                                      |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| R & D in public domain                                                                   | Trade regulations liberalized                                                                                    | 14 Government organizations and 350 private players |
| Restrictions on germplasm exchange, foreign ownership etc                                | Imports of improved varieties and breeding lines liberalized                                                     | Thrust on R&D from private players                  |
| Most farmers depended on seed saved from their own crops cultivated in the previous year | Policy reforms such as the New Policy on Seed Development (1988) and the economy wide New Industrial Policy 1991 | Hybridization gaining momentum                      |

(Source: [www.apsaseed.org/images/lovelypics/Documents/Technical%20Session08/India %20Country%20Report.pdf](http://www.apsaseed.org/images/lovelypics/Documents/Technical%20Session08/India%20Country%20Report.pdf))

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 30 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a ‘farmer centric’ approach and is market driven. However, there is an urgent need for the State Seed Corporations also to transform themselves in tune with the industry in terms of infrastructure, technologies, approach and the management culture to be able to survive in the competitive market and to enhance their contribution in the national endeavour of increasing food production to attain food & nutritional security.

### Policy Initiatives in Seed Sector

The following policy initiatives have been taken by the Government of India in seed sector: -

- Enactment of the Seeds Act, 1966
- Seed Review Team-SRT (1968)
- National Commission on Agriculture’s Seed Group (1972)
- Launching of the World Bank aided National Seeds Programme (1975-85) in three phases leading to the creation of State Seeds Corporations, State Seed Certification Agencies, State Seed Testing Laboratories, Breeder Seed Programmes etc
- Seed Control Order (1983)
- Creation of the Technology Mission on Oilseeds & Pulses (TMOP) in 1986 now called The Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM).
- Production and Distribution Subsidy
- Distribution of Seed Mini-kits
- Seed Transport Subsidy Scheme (1987)
- New Policy on Seed Development (1988)
- Seed Bank Scheme (2000)
- National Seeds Policy (2002)
- The Seeds Bill (2004)
- Formulation of National Seed Plan (2005)
- National Food Security Mission (2007)
- Rashtriya Krishi Vikas Yojna (2007)

### National Seeds Policy, 2002: Thrust Areas

- variety development
- plant variety protection

- seed production
- quality assurance
- seed distribution and marketing
- infrastructure facilities
- transgenic plant varieties
- import of seeds and planting materials
- seed exports
- promotion of domestic private sector seed industry
- strengthening of the monitoring system

### **Seeds Bill, 2004: Salient Features**

- Registration of kinds and varieties of Seeds etc
- Evaluation of performance
- Compensation to Framers
- Registration of Seed Producers and Processing Units
- Seed dealers to be Registered
- Regulation of Sale of Seed and Seed Certification
- Seed Analysis and Seed Testing
- Export and Import of Seeds and Planting Material
- Offences and Punishment

### **Seed Production System in India**

The Indian seed programme largely adheres to the limited generations' system for seed multiplication in a phased manner. The system recognizes three generations namely breeder, foundation and certified seeds and provides adequate safeguards for quality assurance in the seed multiplication chain to maintain the purity of the variety as it flows from the breeder to the farmer.

#### **Breeder seed:**

Breeder seed is the progeny of nucleus seed of a variety and is produced by the originating breeder or by a sponsored breeder. Breeder seed production is the mandate of the Indian Council of Agricultural Research (ICAR) and is being undertaken with the help of;

- i. ICAR Research Institutions, National Research Centres and All India Coordinated Research Project of different crops;
- ii. State Agricultural Universities (SAUs) with 14 centres established in different States;
- iii. Sponsored breeders recognized by selected State Seed Corporations, and
- iv. Non-Governmental Organizations.

ICAR also promotes sponsored breeder seed production programme through the National Seeds Corporation (NSC) / State Farms Corporation of India (SFCI), State Seeds Corporation (SSCs), Krishi Vigyan Kendras (KVKs) etc.

There has been a steady increase in the production of breeder seed over the years.

The indents from various seeds producing agencies are collected by the State Departments of Agriculture and submitted to the Department of Agriculture and Cooperation (DAC), Ministry of Agriculture, Government of India, which in turn compiles the whole information crop wise and sends it to the Project Coordinator/Project Director of the respective crops in ICAR for final allocation of production responsibility to different SAUs/ICAR institutions. The allocation of responsibility for production of breeder seed is discussed in the workshop in respect of the particular crop and is made to various centres as per the facilities and capabilities available at the centres and the availability of nucleus seed of a particular variety. It may be noted that indents are compiled and forwarded to ICAR at least 18 months in advance. To make the programme systematic, and for proper evaluation of the breeder seed production programme, monitoring terms have been constituted and reporting proformae have been devised. The monitoring terms consist of breeder of the variety, the concerned Project Director or his nominee, representative of NSC. The production of breeder seed is reviewed every year by ICAR-DAC in the annual seed review meeting.

The actual production of breeder seed by different centres is intimated to DAC by ICAR. On receipt of information from ICAR, the available breeder seed is allocated to all the indenters in an equitable manner. In the case of varieties which are relevant only to a particular State, the indents for breeder seed are placed by the concerned Director of

Agriculture with the SAUs/ICAR institutions located in the State. The breeder seed produced is lifted directly by the Director of Agriculture or foundation seed producing agencies authorized by him.

### Foundation Seed

Foundation seed is the progeny of breeder seed and is required to be produced from breeder seed or from foundation seed which can be clearly traced to breeder seed. The responsibility for production of foundation seed has been entrusted to the NSC, SFCI, State Seeds Corporation, State Departments of Agriculture and private seed producers, who have the necessary infrastructure facilities. Foundation seed is required to meet the standards of seed certification prescribed in the Indian Minimum Seeds Certification Standards, both at the field and laboratory testing.

### Certified Seed

Certified seed is the progeny of foundation seed and must meet the standards of seed certification prescribed in the Indian Minimum Seeds Certification Standards, 1988. In case of self-pollinated crops, certified seeds can also be produced from certified seeds provided it does not go beyond three generations from foundation seed Stage-I.

The production and distribution of quality/certified seeds is primarily the responsibility of the State Governments. Certified seed production is organized through State Seed Corporation, Departmental Agricultural Farms, Cooperatives etc. The distribution of seeds is undertaken through a number of channels i.e. departmental outlets at block and village level, cooperatives, outlets of seed corporations, private dealers etc. The efforts of the State Governments are being supplemented by NSC and SFCI which produce varieties of national importance. NSC markets its seeds through its own marketing network and also through its dealer network. SFCI markets its seeds mainly through the State Departments of Agriculture and the State Seed Corporations. The production of certified seed by NSC and State Seed Corporations is mainly organized through contract growing arrangements with progressive farmers. SFCI undertakes seed production on its own farms. The private sector has also started to play an important role in the supply of quality seeds of vegetables and crops like hybrid maize, sorghum, Bajra, cotton, castor, sunflower, paddy etc.

The requirement of certified/quality seeds is assessed by State Governments on the basis of the area sown under different crop varieties, area covered by hybrid and self-pollinated varieties as well as the seed replacement rate achieved. The availability of seed is ascertained by the State Departments of Agriculture on the basis of the production of seed in government farms and production of seeds by State Seeds Corporations and other agencies. The Government of India periodically assesses the requirement and availability of seeds through detailed interaction with State Governments and seed producing agencies in the bi-annual Zonal Seed Review Meetings and the National Kharif and Rabi Conferences. The Department of Agriculture and Cooperation facilitates tie-up arrangements with seed producing agencies to ensure that the requirement of seeds is met to the maximum extent possible.

Information on Production and availability of Breeder, Foundation and Certified seeds can be accessed from this portal.

| <b>Production / Availability Of Certified/Quality Seed</b> |                      |                |                |                |                |                |                |
|------------------------------------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Qty. In Million Tonnes</b>                              |                      |                |                |                |                |                |                |
|                                                            | <b>X Plan period</b> |                |                |                |                | <b>XI Plan</b> |                |
| <b>CROP</b>                                                | <b>2002-03</b>       | <b>2003-04</b> | <b>2004-05</b> | <b>2005-06</b> | <b>2006-07</b> | <b>2007-08</b> | <b>2008-09</b> |
| WHEAT                                                      | 0.3150               | 0.3653         | 0.4783         | 0.4001         | 0.4568         | 0.6700         | 0.8768         |
| PADDY                                                      | 0.2921               | 0.3228         | 0.3156         | 0.367          | 0.4035         | 0.5354         | 0.6654         |
| MAIZE                                                      | 0.0455               | 0.1025         | 0.0815         | 0.0886         | 0.0808         | 0.0553         | 0.0740         |
| JOWAR                                                      | 0.0366               | 0.039          | 0.0352         | 0.0411         | 0.0348         | 0.0278         | 0.0274         |
| BAJRA                                                      | 0.0263               | 0.0347         | 0.0284         | 0.0349         | 0.0243         | 0.0244         | 0.0261         |
| RAGI                                                       | 0.0025               | 0.0027         | 0.0027         | 0.0026         | 0.0028         | 0.003          | 0.0036         |
| BARLEY                                                     | 0.0052               | 0.0062         | 0.0071         | 0.0054         | 0.0072         | 0.0241         | 0.0231         |
| <b>CEREAL TOTAL</b>                                        | <b>0.7232</b>        | <b>0.8732</b>  | <b>0.9488</b>  | <b>0.9397</b>  | <b>1.0101</b>  | <b>1.3400</b>  | <b>1.6964</b>  |
| GRAM                                                       | 0.0245               | 0.0258         | 0.0327         | 0.0296         | 0.057          | 0.0608         | 0.0835         |
| LENTIL                                                     | 0.0031               | 0.0043         | 0.0047         | 0.0041         | 0.0026         | 0.0063         | 0.0059         |
| PEAS                                                       | 0.0036               | 0.0062         | 0.0065         | 0.0034         | 0.0044         | 0.0115         | 0.0130         |
| URD                                                        | 0.0134               | 0.0165         | 0.0138         | 0.0207         | 0.0146         | 0.0179         | 0.0314         |
| MOONG                                                      | 0.0096               | 0.0094         | 0.0114         | 0.019          | 0.0163         | 0.0169         | 0.0248         |

|                       |               |               |               |               |               |               |               |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| ARHAR                 | 0.0086        | 0.0086        | 0.0085        | 0.0099        | 0.0119        | 0.0167        | 0.0175        |
| COWPEA                | 0.0012        | 0.0009        | 0.001         | 0.0011        | 0.0013        | 0.0017        | 0.0024        |
| MOTH                  | 0.0003        | 0.0002        | 0.0004        | 0.0006        | 0.0006        | 0.0006        | 0.0020        |
| OTHERS                | 0.0003        | 0.0002        | 0.0002        | 0.0003        | 0.0013        | 0.0018        | 0.0026        |
| <b>PULSES TOTAL</b>   | <b>0.0646</b> | <b>0.721</b>  | <b>0.0792</b> | <b>0.0887</b> | <b>0.1101</b> | <b>0.1341</b> | <b>0.1830</b> |
| GROUNDNUT             | 0.0730        | 0.101         | 0.0682        | 0.1119        | 0.1114        | 0.1762        | 0.3187        |
| RAPE/MUST.            | 0.0105        | 0.0108        | 0.0164        | 0.016         | 0.0197        | 0.0196        | 0.0207        |
| TIL                   | 0.0022        | 0.0017        | 0.0018        | 0.0023        | 0.0021        | 0.002         | 0.0028        |
| SUNFLOWER             | 0.0107        | 0.0118        | 0.0103        | 0.0133        | 0.0102        | 0.0111        | 0.0059        |
| SOYABEAN              | 0.0662        | 0.0952        | 0.1181        | 0.1478        | 0.1348        | 0.1691        | 0.1801        |
| LINSEED               | 0.0001        | 0.0002        | 0.0001        | 0.0001        | 0.0002        | 0.0003        | 0.0003        |
| CASTOR                | 0.0044        | 0.0051        | 0.0045        | 0.0056        | 0.0063        | 0.0056        | 0.0056        |
| SAFFLOWER             | 0.0010        | 0.0012        | 0.001         | 0.0013        | 0.0008        | 0.0009        | 0.0007        |
| NIGER/others          |               | 0             | 0.0003        | 0             | 0.0006        | 0.0002        | 0.0001        |
|                       |               |               |               |               |               |               |               |
| <b>OILSEEDS TOTAL</b> | <b>0.1681</b> | <b>0.227</b>  | <b>0.2207</b> | <b>0.2983</b> | <b>0.2861</b> | <b>0.3851</b> | <b>0.5350</b> |
| COTTON                | 0.0367        | 0.0307        | 0.0301        | 0.0288        | 0.0256        | 0.0261        | 0.0272        |
| JUTE                  | 0.002         | 0.0022        | 0.002         | 0.0052        | 0.0037        | 0.008         | 0.0042        |
| MESTA/OTHER           | 0.005         | 0.0001        | 0.0001        | 0.0002        | 0.0006        | 0.0018        | 0.0047        |
| <b>FIBRE TOTAL</b>    | <b>0.0437</b> | <b>0.033</b>  | <b>0.0322</b> | <b>0.0342</b> | <b>0.0299</b> | <b>0.0358</b> | <b>0.0361</b> |
| POTATO                | 0.038         | 0.037         | 0.0397        | 0.0417        | 0.0415        | 0.0435        | 0.0430        |
| OTHERS                | 0.002         | 0.0015        | 0.0021        | 0.0025        | 0.0041        | 0.0047        | 0.0100        |
| <b>GRAND TOTAL</b>    | <b>1.0396</b> | <b>1.2438</b> | <b>1.3227</b> | <b>1.4051</b> | <b>1.4818</b> | <b>1.9431</b> | <b>2.5035</b> |

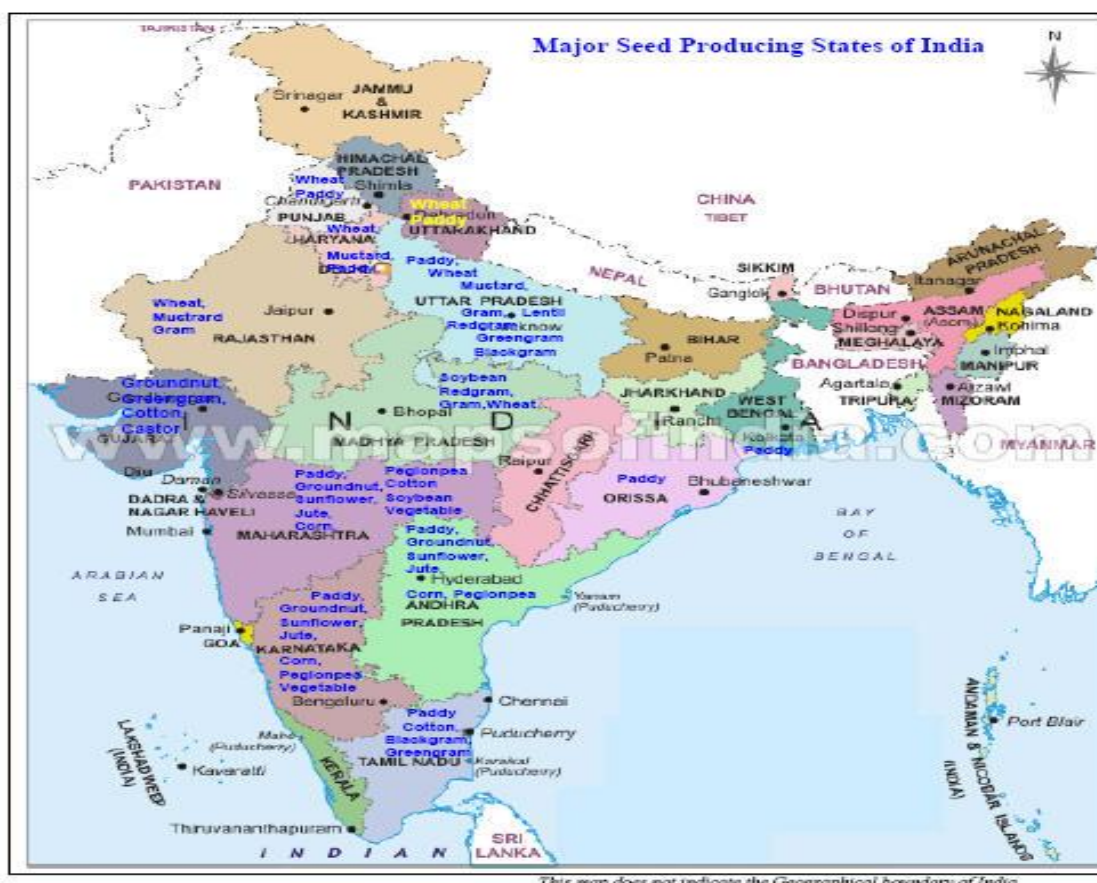
(Source: compiled by Seeds Division of DAC)

### Role of Public & Private Seed Sector

The private sector has started to play a significant role in the seed industry over the last few years. At present, the number of companies engaged in seed production or seed trade is of the order of 400 or 500. However, the main focus of private seed companies has been on the high value low volume seeds and market for low value high volume seeds of cereals, pulses and oilseeds is still dominated by the public sector seed corporations. Private sector companies have a significant place mainly in the case of maize and sunflower and cotton. However, in the case of vegetable seeds and planting materials of horticultural crops, the private sector is the dominant player. As the private sector has not been enthusiastic about entering into seed production of high volume low margin crops of wheat, paddy, other cereals, oilseeds and pulses, the public sector seed corporations will continue to remain dominant in cereals, pulses and oilseeds for many more years to come. At present 15 State Seeds Corporation and 2 National level seeds Corporations (National Seeds Corporation of India & State Farms Corporation of India) are functioning in the country. Besides, significant quantities of seeds are also produced by the State Departments of Agriculture, where the State Seeds corporations are not in existence. The contribution of private sector seed companies in total seed production of the country is depicted in the following table:

| Year of Production | Total Seed Production (Lakh qtls.) | Share of private sector |
|--------------------|------------------------------------|-------------------------|
| 2003-04            | 132.27                             | 47.48%                  |
| 2004-05            | 140.51                             | 45.02%                  |
| 2005-06            | 148.18                             | 46.80%                  |
| 2006-07            | 194.31                             | 41.00%                  |

Major seed producing states are depicted in the following map



### Variety Registration Procedures:

Each variety has to pass through 3 phases of evaluation. Breeders contribute their best entries on the basis of evaluation carried out in their local programmes for testing in the Initial Yield Evaluation Trial (IET) or Preliminary Yield Trial (PYT). These trials are organized in selected number of Places in each zone. Simultaneously, these entries are supplied to Pathologists to study their reaction to important diseases. Entries qualifying from yield, disease and quality point of view in IET/PYT are tested in the Uniform Regional Trials (URT). These trials are also called Advanced Varietal Trials (AVT) or Coordinated Varietal Trials (CVT). These trials are organized at a very large number of locations in each zone and the plot size is larger than that in IET. During the tests, reaction to various diseases, pests and quality traits are also studied. Entries found suitable in the second phase are again evaluated in the URT and simultaneously supplied to Pathologists, Entomologists, Nematologists, Agronomists and Quality Evaluation Groups to study the entries comprehensively for factors which are important from the point of view of their own discipline. Actual measurements are also made on other parameters. Agronomy group evaluates these entries for their adaptability to varied range of agronomic variables such as sowing dates, levels of fertilizers and number of irrigations etc. These are occasionally studied for their reaction to important herbicides. These tests are followed by a critical discussion in a crop workshop. A Special Committee of multi-disciplinary scientists is constituted at the workshop to consider the proposals for identification of the varieties for release. Varieties evolved by the SAUs and Government Research Institutes are tested within the concerned States at limited locations. Central Seed Committee (CSC) pointed out in 1982 that varieties of State importance might also be tested in the concerned All India Crop Improvement Project. All the States are now submitting their samples for the coordinated trials though some have reservations of this decision. Concept of simultaneous testing of State varieties in the coordinated trials needs to be welcomed by the State Governments and their Research Institutes all over the country. Simultaneous testing of all State varieties along with the Central Varieties provides exposure to the State varieties to a wide range of environments. This will help to identify the varieties which are highly prone to diseases and pests and release of which may cause problems in some other States.

Identification of superior genotypes by Plant Breeder can benefit the public only if it is offered for commercial multiplication. It is therefore, necessary to maintain a system where quantities of promising genotype are made available for commercial production. This process is referred to as release of the varieties. The purpose of release system is to introduce newly evolved varieties to the public for general cultivation in the regions in which it is

suitable. It serves as a guideline in the choice of varieties for cultivation in any region. The practice of official release of varieties started in October, 1964 with the formation of the Central Variety Release Committee (CVRC) at the Central level and State Variety Release Committee (SARC) at State level. CVRC functioned up to November, 1969 when its functions were taken over by the CSC established Seeds Act, 1966. The CSC constituted a Central Sub-committee on Crop Standards, Notification and Release of Varieties (CSC on CS, N&RV). The sub-committee discharges the functions of release and notification of varieties at Central level, while State Seed Sub-Committees (SSSCs) discharge similar function at State level. CSC and its Sub-committee have due representation for all the agencies involved in seed research, production and quality control namely State Governments, SCAs, SAUs, ICAR Institutes, Seed producing agency in public and private sector and seed farmers.

### **Varietal Protection in India:**

India is signatory of World Trade Organization (WTO). WTO has at least half a dozen intergovernmental agreements that directly affect agriculture. Under the TRIPS Agreement Article 27(3) (b), which resulted from the negotiations of the Uruguay Round, requires members to protect plant varieties either by patents or by an effective '*sui generis*' system of protection or by a combination of both these systems. In compliance to the TRIPS Agreement India established Protection of Plant Varieties and Farmers Rights (PPV&FR) Authority, under the Protection of Plant Varieties and Farmers Rights Act, 2001. PPV & FR Authority has become operational since 11<sup>th</sup> November, 2005. The objectives of the Authority are:

- Establishment of an effective system for protection of plant varieties, the rights of farmers and plant breeders and to encourage development of new varieties of plants.
- Recognition and protection of the rights of farmers in respect to their contribution in conserving, improving and making the available plant genetic resources for the development of new plant varieties.
- Accelerated agricultural development in the country by stimulation of investment for research and development both in public and private sector.
- Facilitate growth of seed industry to ensure the availability of quality seeds and planting material to the farmers.

Any of the following persons can make an application to the PPV & FRA for registration of a variety: -

- (i) Any person claimed to be a breeder of a variety.
- (ii) Any person being the assignee of the breeder of a variety.
- (iii) Any farmer or group of farmers or community of farmers claiming to be the breeder of a variety.
- (iv) Any University or publicly funded agricultural institution claiming to be breeder of a variety.

PPV & FR Authority shall maintain a National Register of Plant Varieties. The certificate of Registration shall be valid for a 9 years in the case of trees and vines and six years in case of other crops. The total period of variety shall not exceed 18 years for trees and vines and 15 years for extant varieties notified under Seeds Act and for other crops. PPV & FR Authority shall invite claims for beneficiary in respect of any variety for which registration has been granted. The PPV & FR Authority shall determine beneficiary on the basis of following: -

- a) The extent and nature of the use of genetic material of the claimant.
- b) Commercial utility and demand in market of the variety relating to which benefit has been claimed.

The benefit determined by the PPV & FR Authority shall be deposited by the breeder with the National Gene Fund. The amount of benefit sharing shall be recoverable as arrear of land revenue. Certificate of Registration shall confer an exclusive right on the breeder, his successor, his agent or licensee the right to produce, sell, market, distribute, import or export the variety.

Farmer who has developed or bred a new variety shall be entitled for registration as a breeder of a variety. Farmer shall be deemed to be entitled to save, use, sow, re-sow, exchange, share or sell his farm produce including seed of a variety protected under this Act in the same manner as he was entitled before coming into force of this Act provided that the farmer shall not be entitled to sell branded seed of a variety protected under this Act. Farmers' variety shall be entitled for registration.

Farmer who is engaged in the conservation of genetic resources of land basis and wild relatives of economic plants and their improvement and preservation shall be entitled to recognition and reward from the Gene Fund provided the material so selected and preserved has been used as a donor of genes in varieties register able under the PPV & FR Act. Any person or group of persons (whether actively engaged in farming or not) or any other Governmental or Non-governmental organization may stake a claim on behalf of the village or local community.

There is a provision for compulsory licensing to meet the reasonable requirement of the public for seed or other propagating material.

Further information can be accessed from the PPV&FR Authority's official website [www.plantauthority.gov.in](http://www.plantauthority.gov.in)

### **Seed Certification System in India:**

In general, seed certification is a process designed to maintain and make available to the general public continuous supply of high quality seeds and propagating materials of notified kinds and varieties of crops, so grown and distributed to ensure the physical identity and genetic purity. Seed certification is a legally sanctioned system for quality control of seed multiplication and production.

#### **(i) History of Seed Certification**

The origin of the concept of seed certification dates back to the earlier part of the twentieth century. The seed certification concept grew out of the increased concern for the rapid loss of identity of varieties during production cycles. For this, credit should go to the Swedish workers who are the first to initiate the process of field evaluation of the seed crops. It began with the visits of agronomists and plant breeders to the fields of progressive farmers who took the seeds of new varieties from the. This was primarily to educate them on seed production. This initiated the process of field inspection and later on found to be very helpful in keeping varieties pure in the production chain, but other problems appeared. To overcome some of these problems, scientists from USA and Canada met in Chicago, Illinois in 1919 and formed an International Crop Improvement Association (ICIA), which later on 1969 changed its name to Association of Official Seed Certifying Agencies (AOSCA) paving the way for modern day seed certification.

In India the field evaluation of the seed crop and its certification started with the establishment of National Seeds Corporation in 1963. A legal status was given to seed certification with the enactment of first Indian Seed Act in the year 1966 and formulation of Seed Rules in 1968. The Seed Act of 1966 provided the required impetus for the establishment of official Seed Certification Agencies by the States. Maharashtra was the first State to establish an official Seed Certifications Agency during 1970 as a part of the Department of Agriculture, whereas Karnataka was the first State to establish the Seed Certification Agency as an autonomous body during 1974. At present 22 States in the country have their own Seed Certification Agencies established under the Seed Act, 1966. In great majority of the countries in the World, including India, seed certification is voluntary and labelling is compulsory.

#### **(ii) Objective of Seed Certification**

The main objective of the Seed Certification is to ensure the acceptable standards of seed viability, vigour, purity and seed health. A well-organized seed certification should help in accomplishing the following three primary objectives.

- The systematic increase of superior varieties;
- The identification of new varieties and their rapid increase under appropriate and generally accepted names.
- Provision for continuous supply of comparable material by careful maintenance.

#### **(iii) Eligibility requirements for certification**

Any variety to become eligible for seed certification should meet the following requirement:

- General requirements;
- Field standards;
- Specific requirements;
- Seed Standards;

#### **(iv) General requirements**

- Should be a notified variety under Section-5 of the Indian Seed Act, 1966.
- Should be in the production chain and its pedigree should be traceable.

#### **(v) Field standards**

Field standards include the selection of site, isolation requirements, spacing, planting ratio, border rows etc.

#### **(vi) Specific Requirements**



Presence of off-types in any seed crop, pollen-shedders in Sorghum, Bajra, Sunflower etc., Shedding tassels in maize crosses, disease affected plants, objectionable weed plants etc., should be within the maximum permissible levels for certification.

#### **(vii) Seed Certification Agencies**

Seeds Act, 1966 provides for the establishment of Seed Certification Agencies in each State. Seed Certification Agency should function on the following broad principles:

- Seed Certification agency should be an autonomous body.
- Seed Certification Agency should not involve itself in the production and marketing of seeds.
- The Seed Certification Standards and procedures adapted by seed certification agency should be uniform, throughout the country.
- Seed Certification Agency should have close linkage with the technical and other related institutions.
- Its long-term objective should be to operate on no-profit no-loss basis.
- Adequate staff trained in seed certification should be maintained by the Certification Agency.
- It should have provision for creating adequate facilities for ensuring timely and through inspections.
- It should serve the interests of seed producers and farmers/users.

#### **(viii) Organizational set-up of a Seed Certification Agency**

Organization and establishment of a Seed Certification Agency needs careful planning. In planning one should take into consideration the pertinent data about anticipated acreage for certification of various crops/varieties, area of operation, farm sizes etc. The organizational set up of the Certification Agency includes Board of Directors, technical and other staff for operating the programme. Seed Certification Agency may have its own seed testing laboratory or it may get its seed samples tested through seed testing laboratories.

#### **(ix) Seed certification consists of the following control measures:**

**An Administrative check on the origin of the propagating material:** Source seed verification is the first step in Seed Certification Programme. Unless the seed is from approved source and of designated class certification agency will not accept the seed field for certification, thereby ensuring the use of high quality true to type seed for sowing of seed crops.

**Field Inspection:** Evaluation of the growing crop in the field for varietal purity, isolation of seed crop is to prevent out-cross, physical admixtures, disease dissemination and also ensure crop condition as regards to the spread of designated diseases and the presence of objectionable weed plants etc.

**Sample inspection:** assessing the planting value of the seeds by laboratory tests. Certification agency draws representative samples from the seeds produced under certification programme and subjects them to germination and other purity tests required for conforming to varietal purity.

**Bulk Inspection:** Under certification programme provision has been made for bulk inspection. Hence, the evaluation of the lot for the purpose of checking homogeneity of the bulk seed produced as compared with the standard sample is carried out. This gives an idea about the genuinity of lot and sample.

**Control plot testing:** Here the samples drawn from the source and final seed produced are grown side by side along with the standard samples of the variety in question. By comparison it can be determined whether the varietal purity and health of the produced seed are equal to the results based on field inspection.

**Grow-out test:** Evaluation of the seeds for their genuineness to species or varieties or seed borne infection. Here the samples drawn from the lots are grown in the field along with the standard checks. Growing plants are observed for the varietal purity. Grow-out test helps in the elimination of the sub-standard seed lots.

#### **(x) Phases of Seed Certification**

Seed Certification is carried out in six broad phases listed as under:

- i. Verification of seed source, class and other requirements of the seed used for raising the seed crop.
- ii. Receipt and scrutiny of application.
- iii. Inspection of the seed crop in the field to verify its conformity to the prescribed field standards.

- iv. Supervision at post-harvest stages including processing and packing.
- v. Drawing of samples and arranging for analysis to verify conformity to the seed standards; and
- vi. Grant of certificate, issue of certification tags, labelling, sealing etc.

### **Seed Export / Import**

The export/import of seeds and planting material is governed by the Export and Import (EXIM) Policy 2002-07 and amendment made therein. Restrictions on export of all cultivated varieties of seeds have been removed w.e.f. 01.04.2002, except the following:

- (i) breeder or foundation or wild varieties;
- (ii) onion, berseem, cashew, nux vomica, rubber, pepper cuttings, sandalwood, saffron, neem, forestry species and wild ornamental plants;
- (iii) export of niger which is canalized through TRIFED, NAFED, etc.
- (iv) groundnuts, exports of which is subject to compulsory registration of contract with APEDA;

The export of these seeds is restricted and is only allowed on case-to-case basis under licence issued by Director General Foreign Trade on the basis of the recommendations of Department of Agriculture and Cooperation.

The provisions regarding import of seeds and planting material are as under:

- (a) import of seeds/tubers/bulbs/cuttings/saplings of vegetables, flowers and fruits is allowed without a licence in accordance with import permit granted under Plant Quarantine (Order), 2003 and amendment made therein.
- (b) import of seeds, planting materials and living plants by ICAR, etc. is allowed without a licence in accordance with conditions specified by the Ministry of Agriculture;
- (c) import of seeds/tubers of potato, garlic, fennel, coriander, cumin, etc. is allowed in accordance with import permit granted under PQ Order, 2003.
- (d) import of seeds of wheat, rye, barley, oat, maize, rice, millet, jowar, bajra, ragi, other cereals, soybean, groundnut, linseed, palmnut, cotton, castor, sesamum, mustard, safflower, clover, jojoba, etc. is allowed without licence subject to the New Policy on Seed Development, 1988 and in accordance with import permit granted under PQ Order, 2003.

The EXIM Policy reiterates that all imports of seeds and planting material would be regulated under the Plant Quarantine Order 2003. Import licences would be granted by DGFT only on the recommendations of DAC. A small quantity of seeds sought to be imported would be given to ICAR, or farms accredited by ICAR, for trial and evaluation for one crop season. On receipt of applications for commercial import, DAC would consider the trial/evaluation report on the performance of the seed and their resistance to seed/soil borne diseases. DAC is required to either reject or recommend the application to DGFT for grant of import licence within 30 days of receipt. All importers have to make available a small specified quantity of the imported seeds to the ICAR at cost price for testing/accession to the gene bank of National Bureau of Plant Genetic Resources (NBPGR). The import of seeds has to be cleared/rejected by Plant Protection Adviser (PPA) after quarantine checks within three weeks. The rejected consignment has to be destroyed. During quarantine, the imported consignment is kept in a bonded warehouse at the cost of the importer. While importing seeds and planting material, it has to be ensured that there is absolutely no compromise on plant quarantine procedures. Every effort has to be made to prevent the entry into India of exotic pests, diseases and weeds that are detrimental to the interests of the farmers.

An EXIM Committee was constituted in the Seeds Division to deal with application for exports/imports of seeds and planting materials in accordance with the New Policy on Seed Development and EXIM Regulations. The Committee meets every month, subject to tendency of proposals for import/export of seeds and planting material, and analyzes applications and furnishes recommendations to PPA/DGFT for issuing of otherwise of the licence for import/export of seeds and planting material. Exporters/importers are required to submit 20 copies of applications for export/import in the prescribed formats. The minutes of the EXIM Committee are posted on the Seednet Portal (<http://seednet.gov.in>)

As per World Seed Trade Statistics, India has sixth largest size of domestic seed market in the world, estimated to be at about 1300 million dollars. However, India's share in global trade in seeds (import & export) is of only about 37 million dollars only. To give a boost to seed export, India has decided to participate in OECD Seed Schemes for the following categories of crops:

- Grasses and legumes
- Crucifers and other oil or fibre species
- Cereals
- Maize and sorghum

- Vegetables

OECD Seed Schemes is one of the international frameworks available for certification of agricultural seeds moving in international trade. The objective of the OECD Seed Schemes is to encourage use of seeds of consistently high quality in participating countries. The Scheme authorizes use of labels and certificates for seed produced and processed for international trade according to agreed principles. The Joint Secretary (Seeds) in the Department of Agriculture & Cooperation has been nominated as the National Designated Authority. Further, Heads of Seed Certification Agencies in Karnataka, Andhra Pradesh, Tamil Nadu, Maharashtra, Rajasthan, Uttaranchal, Uttar Pradesh, Haryana, Bihar and Assam have been nominated as the Designated Authorities under the Scheme to undertake certification work under OECD Seed Schemes. The department is in the process of completing other formalities under the OECD Seed Scheme guidelines before the certification work gets started.

## Conclusion

The Indian Seed Improvement Programme is backed up by a strong crop improvement programme in both the public and private sectors. At the moment, the industry is highly vibrant and energetic and is well recognized in the international seed arena. Several developing and neighbouring countries have benefited from quality seed imports from India. India's Seed Programme has a strong seed production base in terms of diverse and ideal agro-climates spread throughout the country for producing high quality seeds of several tropical, temperate and sub-tropical plant varieties in enough quantities at competitive prices. Over the years, several seed crop zones have evolved with extreme levels of specialization.

Similarly, for post harvest handling, the Indian seed processing/conditioning industry has perfected the techniques of quality up-gradation and maintenance to ensure high standards of physical condition and quality. By virtue of the diverse agro-climates several geographical zones in the country have emerged as ideal seed storage locations under ambient conditions. In terms of seed marketing and distribution, more than about 20000 seed dealers and distributors are in the business.

Over the years, seed quality specifications comparable to international standards have been evolved and are adopted by the Indian Seed Programme in both the public and private sectors. The country has a strong rigorous mechanism for seed quality control through voluntary seed certificate and compulsory labelling monitored by provincial level Seed Law Enforcement Agencies. For seed technology research, India has a national level Directorate under the Indian Council of Agricultural Research as well as State level research set up in the State Agricultural Universities. In seed education, 4-5 prominent State Agricultural Universities offer post graduation in Seed Technology leading to M.Sc./Ph. D Degree. The seed industry has three well reputed national level associations apart from several provincial level groups to take care of the interests of the industry.

Thus, the Indian Seed Programme is now occupying a pivotal place in Indian agriculture and is well poised for continued growth in the years to come. National Seeds Corporation, which is the largest single seed organization in the country with such a wide product range, pioneered the growth and development of a sound industry in India. NSC, SFICI, States Seeds Corporations and other seed producing agencies are continuously and gradually expanding all its activities especially in terms of its product range, volume and value of seed handled, level of seed distribution to the un-reached areas, etc. Over the past four decades, these seed producing agencies have built up a hard core of competent and experienced seed producers and seed dealers in various parts of the country and have adequate level of specialization and competence in handling and managing various segments of seed improvement on scientifically sound and commercially viable terms.

**(Source: <https://seednet.gov.in/Material/IndianSeedSector.aspx#Seed%20Production%20System%20In%20India>)**

## OUR BUSINESS

### OVERVIEW

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ride-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products.

Lokendra Rajput, a graduate in agricultural science, is the founder Promoter of our Company. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. Our Company has gained over fourteen years of experience in the business and production of quality seeds.

We are producing quality seed with the following objectives:

- Supply of quality seeds at an affordable price;
- Technical and economic strengthening of seed growers; and
- Making the required seeds available at the right place, at the right time and at the right price.

We are one of the established seed production and processing company in Madhya Pradesh. Our Company's processing unit are at following locations:

| Sr. No. | Location of the Property                                                                            | Parties to the Agreement                                                                        | Status of Property | Agreement Period                         |                | Key Terms                                                                                             |
|---------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------|------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------|
|         |                                                                                                     |                                                                                                 |                    | From                                     | To             |                                                                                                       |
| 1.      | New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg Maksi Road Factory Area | Landlord: Modern Food Industries (India) Limited<br><br>Tenant: Vardaan Biotech Private Limited | Building is Leased | April 01, 2020                           | March 31, 2021 | Building is leased and the Plant & Machinery is installed and owned by us.                            |
| 2.      | Survey No.262, Village Jaithal, Patwari Halka No.42 Teh. and Dist. Ujjain.                          | Landlord: Mr. Lokendra Rajput<br><br>Tenant: Vardaan Biotech Private Limited                    | Land is Leased     | 18 years Lease, expiring on May 31, 2038 |                | Land is leased. Our Company constructed its own Building on that land and installed Plant & Machinery |

Our Company has entered into an agreement with M/s V.I.B Agritech (Hereinafter referred to as "Processor") for processing of seeds for our company at its seed processing unit is located at SY.No.605/P, H.No. 7-157, Poodur (V), Medchal (M&D) Hyderabad, India. The Processor is responsible for unloading of raw materials, storage, processing, packing of seeds, etc.

We started our operation in Madhya Pradesh and now have spread our customer base in the following States:

- Maharashtra;
- Bihar;
- Chhattisgarh;
- Jharkhand;
- Rajasthan;
- Uttar Pradesh;

- Telangana;

We have also established marketing network with wholesalers and retailers spread over in Madhya Pradesh and other states such as Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chattisgarh, Telangana, and Maharashtra. All the seed varieties produced and developed by our Company are marketed under the brand of 'Vardaan Seeds'.

Our revenue and profit in the last three (3) Financial Years are reproduced below:

(₹ in Lakhs)

| Particulars             | For the period ended<br>September 30, 2020 | Financial Year |           |           |
|-------------------------|--------------------------------------------|----------------|-----------|-----------|
|                         |                                            | 2019-2020      | 2018-2019 | 2017-2018 |
| Revenue from operations | 5325.04                                    | 5056.05        | 1999.83   | 2313.04   |
| Net Profit after tax    | 75.80                                      | 39.37          | 19.65     | 16.10     |

Our Company aims to supply quality hybrid seeds and crops to the farmers. For achieving this, our Company has engaged the services of Lorven Biologics Private Limited, Hyderabad for the purpose of undertaking research and development, in order to enable us to develop and improve quality of production of seeds.

## TYPE OF PRODUCT

| Name of the Product                                                                                                              | Qualities and Features                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hybrid Maize<br>(In different variants)<br>    | <ul style="list-style-type: none"> <li>• Single Cross;</li> <li>• Strong stalks suitable for high density;</li> <li>• Duration 105 days to 140 days in Rabi Season;</li> </ul>                                                                                                                                                                                                                                                  |
| Hybrid Paddy<br>(In different variants)<br>   | <ul style="list-style-type: none"> <li>• Semi-dwarf Plant;</li> <li>• Medium slender grains;</li> <li>• Wider adaptability with 69% shelling;</li> <li>• Tolerant to blast, BPH and Grain moulds;</li> <li>• Duration 100 days to 105 days (Kharif), 110 to 115 days (Rabi);</li> </ul>                                                                                                                                         |
| Improved Paddy<br>(In different variants)<br> | <ul style="list-style-type: none"> <li>• Medium Slender Grain;</li> <li>• Lengthy panicle with more number of grains;</li> <li>• 10 to 14 tillers per plant;</li> <li>• High Tolerance to disease;</li> <li>• Duration 120 to 140 days</li> </ul>                                                                                                                                                                               |
| Hybrid Bajra<br>                              | <ul style="list-style-type: none"> <li>• Late Maturing tall hybrid</li> <li>• Good adaptability across the locations</li> <li>• Globular Grey colored grain</li> <li>• Duration 80 to 85 Days</li> </ul>                                                                                                                                                                                                                        |
| Hybrid SSG Ruby<br>                           | <ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Leaves are long and medium board, smooth and soft with dull white mid rib;</li> <li>• Inflorescence is long with very long peduncle, semi-loose with erect primary branches;</li> <li>• Glumes are red to purple in colour;</li> <li>• Seed is partial red tinged; round to elliptical shaped and dimpled;</li> </ul> |
| Hybrid SSG Moti<br>                           | <ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Multicutting;</li> <li>• Long internodes, and foliage is high;</li> <li>• Leaves are long and narrow, smooth and thin with pale white mid rib;</li> <li>• Glumes mahogany to purple in colour;</li> <li>• Seed is white, non-lustrous, round shaped, dimpled and medium sized;</li> </ul>                             |
| Improved Mustard                                                                                                                 | <ul style="list-style-type: none"> <li>• Duration 11 to 120 Days;</li> <li>• Medium height Plant;</li> </ul>                                                                                                                                                                                                                                                                                                                    |

|                                                                                                                  |                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | <ul style="list-style-type: none"> <li>• Cruciferous flower with yellow petals;</li> <li>• Blackish brown: round; bold petals;</li> <li>• Better oil percentage.</li> </ul>                                                                                                                       |
| <b>Improved Pea</b><br>         | <ul style="list-style-type: none"> <li>• Plant height 70-85 cms;</li> <li>• Number of seeds 10-11 per pod;</li> <li>• Duration 80 to 85 Days;</li> <li>• Green normal leaf;</li> <li>• Flower light blue petal colour;</li> <li>• Seed Cylindrical shape with smooth surface.</li> </ul>          |
| <b>Improved Wheat</b><br>       | <ul style="list-style-type: none"> <li>• Semi erect plant;</li> <li>• Plant height 85-90 cms;</li> <li>• Duration 100 days to 157 days;</li> <li>• Grain colour amber</li> </ul>                                                                                                                  |
| <b>Hybrid Tomato</b><br>        | <ul style="list-style-type: none"> <li>• Strong Plant;</li> <li>• Attractive Red Fruit;</li> <li>• Fruit weight 90 to 100 gsm;</li> <li>• Good Firmness and Shelf life;</li> <li>• First Harvest 65 to 70 days;</li> <li>• Tolerant to ToLCV and early blight;</li> </ul>                         |
| <b>Hybrid Chilly</b><br>       | <ul style="list-style-type: none"> <li>• Attractive shining light green;</li> <li>• Good shelf life;</li> <li>• Cayenne type with wrinkles;</li> <li>• Number of seeds 6-7 per pod;</li> <li>• Height Pungency 13 to 15 cms;</li> <li>• Fruit Length with thickness of 1.2 to 1.4 cms;</li> </ul> |
| <b>Imported Coriander</b><br> | <ul style="list-style-type: none"> <li>• Good Plant Vigour;</li> <li>• Attractive dark green leaves;</li> <li>• Stem does not break on bending;</li> <li>• Suitable for multiple harvests;</li> <li>• First Harvest 25-30 days after sowing</li> </ul>                                            |
| <b>Hybrid Okra</b><br>        | <ul style="list-style-type: none"> <li>• High Yelder;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11 cm;</li> </ul>                                                                                                                 |
| <b>Research Okra</b><br>      | <ul style="list-style-type: none"> <li>• High Yelder;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11Cm;</li> </ul>                                                                                                                  |
| <b>Hybrid Watermelon</b><br>  | <ul style="list-style-type: none"> <li>• Early Hybrid and High Yelder;</li> <li>• Good Transport Quality;</li> <li>• Black Green fruits and fruit size 2.5 to 4 Kg;</li> <li>• Crimson color flesh and good texture;</li> </ul>                                                                   |
| <b>Hybrid Ridge Gourd</b>                                                                                        | <ul style="list-style-type: none"> <li>• Strong and Vigorous plant long with deep ridges fruit;</li> <li>• Attractive Green color fruit with length 25 to 35 cm;</li> <li>• Fruit weight 150 to 200 gms;</li> </ul>                                                                               |

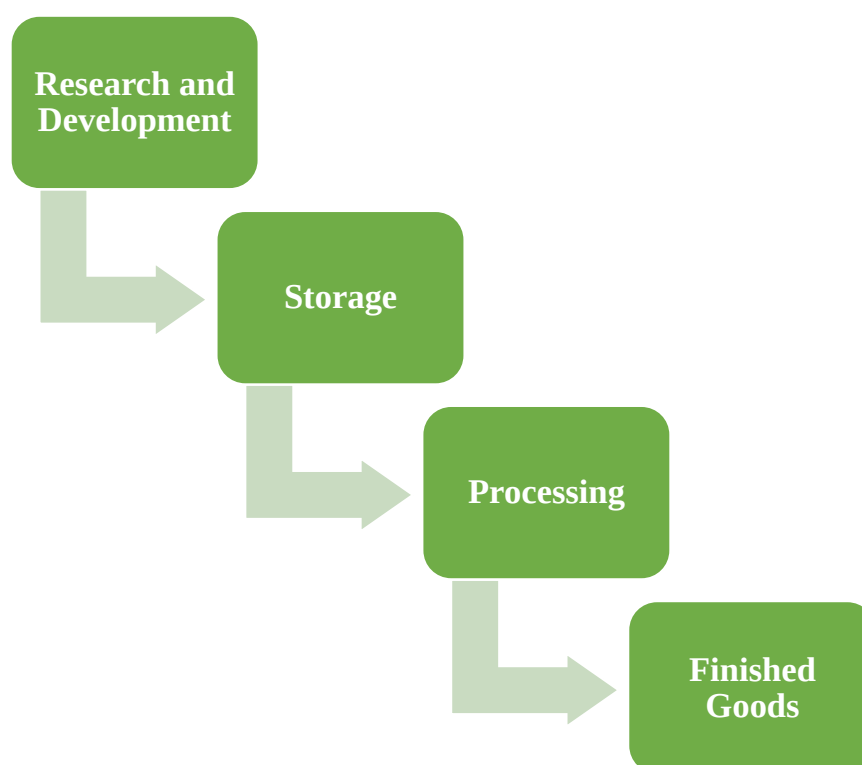
|                                                                                                      |                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |                                                                                                                                                                                                                                                            |
| Hybrid Cucumber<br> | <ul style="list-style-type: none"> <li>• Strong plant with dense foliage;</li> <li>• Maturity 40 to 45 days;</li> <li>• Fruit length 18 to 21 cm. and weight 175 to 225 gms;</li> <li>• Diameter 3.5 to 5 cm. and smooth skin</li> </ul>                   |
| Onion Nasik Red                                                                                      | <ul style="list-style-type: none"> <li>• Grown in mainly Kharif Season;</li> <li>• Bulb colour dark red globular shape;</li> <li>• Maturity after transplanting 90-110 days;</li> <li>• Yield 250-300 qntrs/ha;</li> </ul>                                 |
| Beans                                                                                                | <ul style="list-style-type: none"> <li>• Plant bushy and strong type;</li> <li>• Fruit colour bright dark green and white seed;</li> <li>• Pod stingless round shape with 15-18cm long flesh;</li> <li>• First picking after sowing 40-45 days;</li> </ul> |

## KEY PRODUCTS

|              |                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Wheat</b> | Wheat is a cereal grain which is a worldwide staple food. Our Company deals in 6 variants of Wheat Seeds i.e. Wheat Samrat, Wheat Keshav-172, Wheat Arjun-303, Wheat Kailash, Wheat Shivam, Improved Wheat Keshav-172.                                                                                                                                                           |
| <b>Paddy</b> | Our Company deals in 11 Varieties of Paddy i.e. Hybrid Paddy V-1344, Hybrid Paddy V-1355, Improved Paddy V-Amman, Improved Paddy Bheeshma, Improved Paddy V-Saurav, Improved Paddy Yoddha, Paddy V-Hy Rise.                                                                                                                                                                      |
| <b>Soya</b>  | Our Company deals in production (through contract growers) & trading of Certified soyabean seeds which are widely used for growing of edible bean, in common parlance this is known as soyabean seeds. This seeds are certified under the strict supervision of the State Seed Certification Agency.                                                                             |
| <b>Maize</b> | Maize is grown in almost all the major cropping regions throughout the world. It is one of the most important crops for food, animal feed and industrial use in the world. Maize hybrids are produced as single crosses, double crosses and three way crosses. Our Company deals in 6 variants of Hybrid Maize i.e. Hybrid Maize V-1122, V-1133, V-1155, V-1166, V-1222, V-1244. |

## SEED PRODUCTION AND DEVELOPMENT PROCESS

In seed production program, our Company procures raw material seeds from the agricultural lands of the farmers. These foundation seeds are usually produced under strict supervision of the breeders. Breeding is the process of bringing together two specific parent plants to produce a new offspring plant which will have the desired traits and characteristics. These produced and procured foundation seeds are then processed at our seed processing units. Further, our Company has entered into an arrangement and agreement with a few consignees, forwarding agents and storage agents of various States, for efficiently storing the seeds at the warehouse of the said agents for the purpose of retaining the quality of seeds.



#### a) Stage I – Research and Development

We focus on research and development efforts for the purpose developing new products as well as addressing gaps in technology by integrating traditional breeding techniques and modern technology. The emphasis of our breeding programs is on higher yields, enhanced product quality, insect and disease tolerance, drought tolerance and expedient product development. In the Financial Year 2018-2019, 2019-2020, and the six months ended September 30, 2020, our Company incurred ₹0.11 Lakhs, ₹2.33 Lakhs, and ₹15.78 Lakhs, respectively, on research and development, which accounted for 0.01%, 0.05%, and 0.30% of our revenue from operations in those periods, respectively.

Our Company has engaged Lorven Biologics Private Limited for research and development activities since 2018. However, there was no formal written agreement till February 04, 2021. Lorven Biologics Private Limited carries on the research activities from their facility located at Shed No - 6, Pipeline Road, Opposite to Porus Laboratories IDA, Jeedimetla, Hyderabad - 500055, Telangana, India. The agreement is short term in nature and can be renewed further with mutual consent.

#### Research Location

Our Company has entered into an agreement with Lorven Biologics Private Limited for undertaking research and development activities:

| Agreement entered with           | Location of Research Facility                                                                                   | Agreement Period  |                | Consideration                   |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------|----------------|---------------------------------|
|                                  |                                                                                                                 | From              | To             |                                 |
| Lorven Biologics Private Limited | Shed No - 6, Pipeline Road, Opposite To Porus Laboratories Ida, Jeedimetla, Hyderabad -500055, Telangana, India | February 05, 2021 | March 31, 2022 | As per annexure mentioned below |

Annexure

| Crop                      | ODV | Moisture | Germination | Vigor | Genetic Purity | Total Cost |
|---------------------------|-----|----------|-------------|-------|----------------|------------|
| Paddy (Research)          | 20  | 30       | 250         | 500   | 5500.00        | 6300.00    |
| Bajra/ Sorghum (Research) | 20  | 30       | 250         | 500   | 5500.00        | 6300.00    |



| Crop                                 | ODV | Moisture | Germination | Vigor | Genetic Purity            | Total Cost |
|--------------------------------------|-----|----------|-------------|-------|---------------------------|------------|
| Maize/ Paddy (Hybrid)                | 20  | 30       | 250         | 500   | 5500.00                   | 6300.00    |
| Sorghum/ Bajra                       | 20  | 30       | 250         | 500   | 6000.00                   | 6300.00    |
| Any crop (vegetable)                 | 20  | 30       | 250         | 500   | 5000.00                   | 5800.00    |
| Molecular Marker Development Charges | -   | -        | -           | -     | 100000.00 (One Time Cost) | 100000.00  |

The main objective of our Company for entering into a research and development agreement with Lorven Biologics Private Limited is to undertake research activities for effecting inventions, improvements and/ or discoveries.

### **Germplasm Collection**

We consider this as the main activity in our seed research and development process. Germplasm is the complete set of genetic material of any plant species. Plant breeding involves the creation of new allelic combinations, fixing of specific combinations of alleles and selection of superior combinations of alleles resulting in superior varieties or parents for hybrid seed production. Donor or source material used for breeding crosses should be determined to be of appropriate quality with regard to genetic purity and seed borne and seed transmitted pathogens.

### **Nucleus Seeds**

Nucleus seed is the initial handful of pure seeds of improved variety or parental lines of hybrid plant. When a new variety of plant is released, only a handful of superior seeds will be selected by the breeder from individual plants. Nucleus seeds being genetically pure, do not contain physical impurities. The nucleus seed is produced under strict isolation, to avoid both genetical and physical contamination. Nucleus seeds are managed with great care so that all seed produced from it remains true to the new variety. This is a most important step, onus for the same lies on plant breeder who developed the variety. The nucleus seed is not available to farmers. The next step in the chain from plant breeder to farmer is that the plant breeder develops the Breeder Seed.

### **Breeder Seeds**

Breeder seed is the progeny of nucleus seed. Generally, breeder seed is produced in one stage. But if there is greater demand for breeder seed and there is low seed multiplication ratio, then breeders seed can be produced in two stages:

- Breeder stage I
- Breeder stage II.

In such cases breeder seed stage I becomes source for the breeder Stage II. Breeder seed plots are subjected to joint inspection by a team consisting of crop breeder from Agricultural Universities in the State, representative of All India Coordinated Research Projects of the crop, National Seeds Corporation, State Seeds Corporation and Divisional Seed Certification Officer. Breeder seed produced should meet all prescribed standards viz. genetic purity (depending on crops in the range of 85% to 99%), physical purity (98%). These seeds are supervised by the qualified plant breeders.

### **Foundation Seeds**

Foundation seed is the seed produced from growing the breeder seed. It is produced by trained persons to maintain the genetic purity of the variety. Foundation seed is less expensive than breeder seed and is not as pure as the nucleus and breeder seeds. As soon as breeder seeds are approved by the Universities, they are sent to farmers under the supervision of the Madhya Pradesh Seeds Certification Authority (hereinafter referred to as 'MPSSCA').

### **Hybrid Seeds**

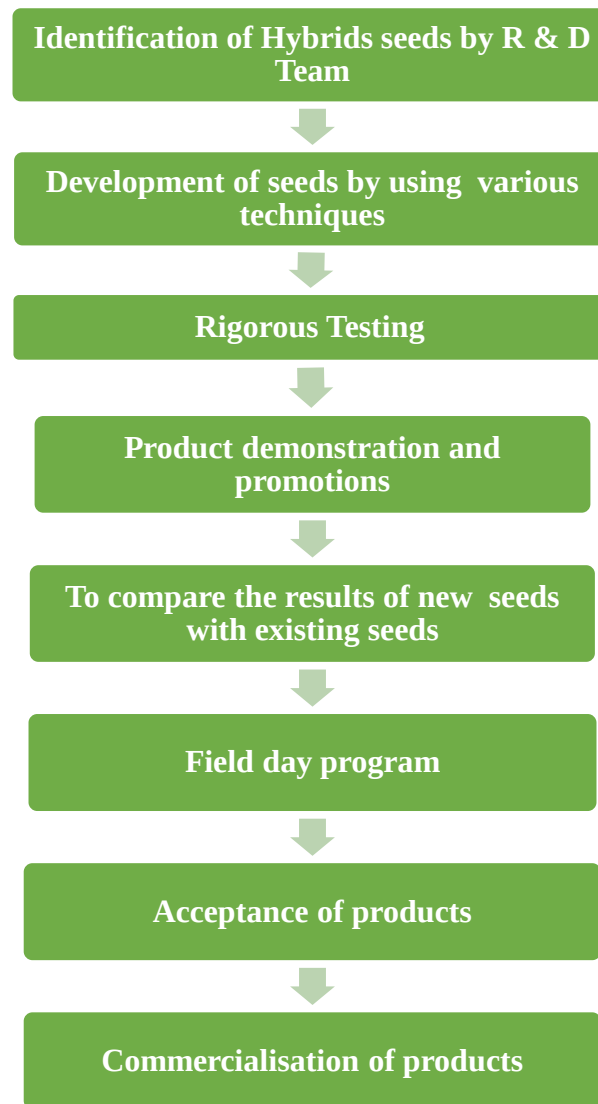
Hybrid seeds on the other hand, are produced through open pollination and cross pollination process. These hybrid seeds are further classified into:

- Male Female
- Research Seeds

### **Certified/ Research Seeds:**

Certified seed is produced from growing foundation, registered, or certified seed. It is grown by selected farmers to maintain sufficient varietal purity. Production is subject to field and seed inspections. It is grown by selected farmers in a way that maintains genetic purity. Production of certified seeds undergoes field and seed inspections by seed certification agency to ensure conformity with standards. Research seeds are high quality seeds, being produced by a backward integration process, which offers natural nutrient qualities. These research seeds require intensive research and are also called as pure seeds.

#### **Seed development process**



### Seed Production Cycle

| Crop  | Production Cycle            |                          | Production Area                                                    |
|-------|-----------------------------|--------------------------|--------------------------------------------------------------------|
|       | Planting Months             | Harvesting Months        |                                                                    |
| Wheat | October to November         | March to April           | Ujjain District, (Madhya Pradesh), Himmat Nagar (Gujarat).         |
| Soya  | June to July                | September to October     | Ujjain District, Ashok Nagar                                       |
| Maize | October, June, and February | April to September, June | Huzurabad, Eluru (Telangana)                                       |
| Paddy | May to June                 | October                  | Kareem Nagar, Jammikunta, Armoor, Nizamabaad, Warangal (Telangana) |
| Bajra | June                        | September                | Armoor (Telangana)                                                 |

### Seed Production volumes

| Type of Seeds             | State                     | For the period ended September 30, 2020 | Financial Year  |                |                |
|---------------------------|---------------------------|-----------------------------------------|-----------------|----------------|----------------|
|                           |                           |                                         | 2019-2020       | 2018-2019      | 2017-2018      |
| Certified Seeds           | Madhya Pradesh (Wheat)    | 65824.55 Quintals                       | 525523 Quintals | 15528 Quintals | 17913 Quintals |
|                           | Madhya Pradesh (Soyabean) | 47704 Quintals                          | 7389 Quintals   | 8535 Quintals  | 2692 Quintals  |
| Hybrid and Research Seeds | Telangana                 | 2155 Quintals                           | 672 Quintals    | 631 Quintals   | 548 Quintals   |

### Capacity Utilisation of the Processing Plant in the last 3 years

| Year | Installed Capacity (Quintals) | Actual Production (Quintals) | Utilization (%) |
|------|-------------------------------|------------------------------|-----------------|
| 2018 | 24,885                        | 21,153                       | 85%             |
| 2019 | 27,437                        | 24,694                       | 90%             |
| 2020 | 5,79,983                      | 5,33,584                     | 92%             |

### Quality Control in Seed Production

Our Company has a system in place to control the quality of the seeds as per the specific requirement of the various governmental authorities. Quality control is quite essential to any seed development program. Our Company thrusts on quality control at all stages of seed production from germplasm to commercial seed production so that our seeds are qualitative, yields higher productivity and are disease resistant. Quality control is maintained physically, through automated machines, and via scientific methods.

Following are the activities undertaken by our Company to ensure quality control in seed production:

- Closely monitor for better agronomic management;
- Maintain purity standard of seed entering a breeding program;
- Maintain appropriate protocols for pathogen and pest detection;
- Manage perfect synchronization of flowering in both parents;
- Ensure genetic purity through standard field isolation;
- Systematically monitor and report at critical stages of crop growth;
- Test seeds using appropriate methodology;

- h) Establish and confirm integrity and purity of seed used in breeding program;

**b) Stage II – Seed Processing and Conditioning**

The harvested seeds are affected due to various factors including but not limited to weed seed, other crop seed, immature seed, damaged seed, diseased seed and under sized seed, which ultimately affect sowing, quality, and storability of the harvested seeds. In order to improve the sowing quality of the seed, these damaging factors need to be reduced to a threshold level. All the operations commencing from harvesting to the storage of the seeds are to be performed carefully to improve the sowing quality and longevity of the seed. Further, to improve and upgrade the physical quality of the seed, undesirable materials have to be filtered and weeded out of the damaged and undersized seed by mechanical devices with highest efficiency. This process of hauling of damaged and undesirable material is referred to as seed processing. Post-production, the seeds are brought to our processing facility. These seeds are thereafter subjected to various stages of processing including drying, cleaning, de-weeding, screening, etc. The moisture content in the seeds is reduced to the optimum level in order to increase their storage life. Our Company uses certain technologies like chemical treatment and seed coating with insecticides and fungicides to ensure faster germination, qualitative and quantitative yield and disease resistant crop. Our Company has made investment in establishing infrastructure for Research and Development, Processing, Testing, and Packing of the products. The seeds are produced by our experienced contract growers and are then processed at the seed processing plants located at Madhya Pradesh and Hyderabad.

We have following seed processing plant:

| Sr. No. | Location of the Property                                                                            | Parties to the Agreement                                                                | Status of Property | Agreement Period                        |                | Key Terms                                                                                             |
|---------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------|-----------------------------------------|----------------|-------------------------------------------------------------------------------------------------------|
|         |                                                                                                     |                                                                                         |                    | From                                    | To             |                                                                                                       |
| 1.      | New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg Maksi Road Factory Area | Landlord: Modern Food Industries (India) Ltd<br>Tenant: Vardaan Biotech Private Limited | Building is Leased | April 01, 2020                          | March 31, 2021 | Building is leased and the Plant & Machinery is installed and owned by us                             |
| 2.      | Survey No.262, Village Jaithal, Patwari Halka No.42 Teh. and Dist. Ujjain.                          | Landlord: Lokendra Rajput<br>Tenant: Vardaan Biotech Private Limited                    | Land is Leased     | 18 years Lease expiring on May 31, 2038 |                | Land is leased. Our Company constructed its own Building on that land and installed Plant & Machinery |

Our Company has entered into an agreement with M/s V.I.B Agritech (Hereinafter referred to as “Processor”) for processing of seeds for our company at its seed processing unit is located at SY.No.605/P, H.No. 7-157, Poodur (V), Medchal (M&D) Hyderabad, India. The Processor is responsible for unloading of raw materials, storage, processing, packing of seeds, etc.

The brief details of the agreement are as follows:

| Sr. No. | Location of the Property                                             | Parties to the Agreement                                                           | Status of Property                      | Period of Agreement |               | Rental Fees                                                                        |
|---------|----------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------|---------------------|---------------|------------------------------------------------------------------------------------|
|         |                                                                      |                                                                                    |                                         | From                | To            |                                                                                    |
| 1.      | SY.No.605/P, H.No. 7-157, Poodur (V), Medchal (M&D) Hyderabad, India | Processor: M/s V.I.B Agritech<br>Producer Company: Vardaan Biotech Private Limited | Outsourcing of Seed Processing facility | November 01, 2020   | July 31, 2021 | Consideration for processing and packing of crops, as specified in the table below |

| Description            | Crop  | Pack Size  | Price (Per kg) |
|------------------------|-------|------------|----------------|
| Processing and Packing | Maize | 5 Kg/ 4 Kg | 3.75           |
| Processing and Packing | Paddy | 1 kg       | 5.00           |
| Processing and Packing | Paddy | 3 kg       | 3.80           |
| Processing and Packing | Paddy | 6 kg       | 3.60           |
| Processing and Packing | Paddy | 10 kg      | 3.60           |
| Processing and Packing | Bajra | 1.5 kg     | 5.00           |
| Printing of pouches    |       |            | 0.30 Rs/ pouch |

Seed processing involves multiple operations, including pre-conditioning, basic cleaning and grading. These operations are detailed as under:

#### a) Pre-conditioning

This is the first step of operation, that prepares a seed lot for basic cleaning. The equipment required for this operation are generally specific for individual crop. Some of the important preconditioning equipment are as under:

##### i. Sheller

A Sheller is an equipment made up of perforated steel sheet with concave structure to remove kernel (seed) of maize from cob. This perforated steel allows the seed to pass through and retain the cobs and its parts.

##### ii. Huller

Huller is an equipment which eases the process of removal of tightly fixed husk from the seeds of grasses which facilitate in the process of sowing and germination. This process is known as hulling.

##### iii. Debearder

Debearder is an equipment which removes awn and other appendages from seed of oat and barley that hampers processing of seed lot. This process is known as debearding.

##### iv. Scarifier

It scratches the hard seed coat to facilitate process of germination by increasing exchange of water and oxygen in crops like lucerene, faba bean, and rice bean and this process is known as scarification

#### b) Basic Cleaning

Under this step of operation of seed processing, the larger, smaller, lighter and thicker, adulterants are removed as compared to the crop seed, from the seed lot. It is done based on weight, size, and density, using a cleaner with air screen. This process involves following basic steps:

##### i. Grader

A grader, separates undersized seeds and coarse impurities viz., trash, soil pads, etc. from the normal desirable seed, based on seed density and size with the help of screen of different mesh size and their vibration.

##### ii. Scalper

High quantity of inert matter is present with seed after threshing, winnowing or pre-conditioning. It is the top most screen of a seed cleaner with larger holes than desirable seed size to remove the inert matter of larger size than the seed. This process is known as scalping.

##### iii. Aspirator

An aspirator removes lighter inert matter and adulterant from the crop seed with the help of air pressure and the process is known as aspiration.

### c) Grading

Classification of a seed lot, based on commercial usages viz., size, shape, density, and colour is known as grading. Grading is primarily done for further improvement of seed lot as finishing operation. The process of grading requires different types of separators, that helps remove weed, broken and undesirable seeds.

Following are the different types of grading equipment, operated and utilized by our Company:

#### i. Disk separator

Pieces of broken seeds, weed and other crop seed of round shape can be removed by the disk separators. It has a series of indented disk that are rotated inside a cylinder through which the seeds move.

#### ii. Indented cylindrical separators

Indented cylindrical separators can separate the impurities especially broken seed, other crop seeds and weed seed that are either longer or shorter than the crop seed. It has two types of grading system as Forward grading-removal of impurities of shorter than the required seed size e.g. Wheat, rice. Reverse grading- removal of impurities of larger than the required seed size

#### iii. Gravity separators

Gravity separators help in exploiting the differences of density between the quality seed and undesirable seed. Further, it employs the principal of floatation, in which the seeds are vertically stratified in layer on the deck according to their density by vibration. It also helps in improving the germination percentage of seed lot by eradicating and removing immature, broken, undesirable seeds.

#### iv. Spiral separators

Difference in the roundness or shape of the seed are exploited in the spiral or dropper separators which removes the contaminants present in the seeds.

#### v. Colour separators

Colour separators can remove seeds of different varieties, crops or weed based on difference in the colour of the seed. Colour separator helps in improving the genetic purity, seed health and separate out weathered and moisture damage seeds.

#### vi. Surface texture separators

Surface texture separators helps in removing inert matter based on the surface texture differences to removes rough texture weed and other crop seeds from smooth crop seeds.

#### vii. Magnetic separators

Magnetic separators, separate the small weed and other crop seed and mechanically damaged seed based on the differences in the seeds affinity for liquids.

### Process of Seed Manufacturing



#### a) Quality Control in Seed conditioning

Our Company procures the foundation seeds which are grown under strict supervision of the breeders. The multiplied seeds are tested in laboratory for germination and genetical purity. We continuously endeavour that our seeds meet the required quality parameters of germination, genetic purity and yield, thus maximising profitability for farmers who are the end users of our product. We try to adhere to our pre-determined quality standards during production as well as during processing and conditioning at our plant. We draw samples from the seed lots received and test them at seed testing laboratories and grow-out test (hereinafter referred to as ‘GOT’) located at GOT center, located at Bangalore, (hereinafter referred to as ‘GOT Center’) in order to conduct GOTs and other tests for quality.

The different tests/ processes adopted by our Company for ensuring quality control are as follows:

- i. Physical Purity Test;
- ii. Moisture Test;
- iii. Germination Test;
- iv. Seed Viability Test;
- v. Seed Health;
- vi. Vigour Test;
- vii. Genetic Purity Test/ Molecular GOT;

## Lab Testing Process

### i. Seed Sampling

The purpose of seed sampling is to segregate the non-germinating seeds when sampling from a larger seed lot to ensure that the sample is representative in all attributes of the initial seed lot. This process applies to all seeds being sampled at our Company

All staff members responsible for taking samples must ensure that:

- All sampling in accordance with standard rules and procedure;

On the other end the plant operators must ensure that:

- Sampling during the bagging is performed by taking a sample from every 4<sup>th</sup> bag during bagging and reducing this down if necessary, by the use of a conical divider to obtain a submitted sample.
- In case of paddy sampling must be obtained from each bag.

Seed sampling for quality test

For the purposes of this procedure, seed quality refers to the following parameters:

- Germination;
- Physical Purity;
- Genetic Purity;
- Moisture Content;
- Trait Purity Status (for cotton).

The sampling of the bagged seed-lot is done to obtain samples for submission to lab testing. Given below is the submitted sample sizes:

| Species                                 | Purity Minimum Sample Weights |                      |                                        |                                               |
|-----------------------------------------|-------------------------------|----------------------|----------------------------------------|-----------------------------------------------|
|                                         | Maximum Weight of Lot (kg)    | Submitted Sample (g) | Working sample for purity analysis (g) | Working sample for count of other species (g) |
| Brassica (Mustard)                      | 10,000                        | 100                  | 10                                     | 100                                           |
| Glycine max (Soybeans)                  | 25,000                        | 1000                 | 500                                    | 1000                                          |
| Helianthus annuus (Sunflower)           | 25,000                        | 1000                 | 200                                    | 1000                                          |
| Pennisetum glaucum (Pearl Millet)       | 10,000                        | 150                  | 15                                     | 150                                           |
| Sorghum bicolor (Sorghum)               | 30,000                        | 900                  | 90                                     | 900                                           |
| Sorghum bicolor x S. Sudanese (Sorghum) | 30,000                        | 500                  | 30                                     | 300                                           |
| Sorghum sudanense (Sudan Grass)         | 10,000                        | 250                  | 25                                     |                                               |
| Triticum sp. (wheat)                    | 25,000                        | 1000                 | 120                                    | 1000                                          |
| Zea mays (corn)                         | 40,000                        | 1000                 | 900                                    | 1000                                          |

**Table 1 - Maximum seed lot sizes and minimum sample weights**

The submitted sample will be made of a composite of primary samples taken from varying positions in the bags of the lot at the following frequencies:

|            |                                     |
|------------|-------------------------------------|
| 1-4 bags   | 3 primary samples from each bag     |
| 5-8 bags   | 2 primary samples from each bag     |
| 9-15 bags  | 1 primary sample from each bag      |
| 16-30 bags | 15 primary samples from the seedlot |



|                                                                                                                                                                              |                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Seed held in bulk will be sampled either by collecting primary samples using a sampling spear. This spear must be long enough to sample the full depth of seed held in bulk. |                                                         |
| Up to 500 kg                                                                                                                                                                 | At least 5 primary samples                              |
| 501 - 3000 kg                                                                                                                                                                | 1 primary sample for every 300 kg but never less than 5 |
| 3,001 - 20,000 kg                                                                                                                                                            | 1 primary sample for each 500kg but never less than 10  |
| 20,001 and above                                                                                                                                                             | 1 primary sample for each 700kg but not less than 40    |
| For Research Paddy / Hybrid Paddy collect the samples from each bag                                                                                                          |                                                         |

A series of primary samples taken from across the stream of seed (at the same intensity as specified above) is transferred to bulk containers (called as jumbo bag). The required minimum number of primary samples are thereafter combined to form a composite sample. In most the cases, this composite sample is much larger than the required submitted sample weight. The composite sample must therefore be well mixed and divided down to the required weight. This is most effectively achieved by using a 'Riffle Divider'.

These samples weighing minimum of 100g are thereafter to be tested for moisture content, which must be placed in specific sealable water tight, moisture test sample containers. If these are not available, the sample must be placed inside a suitable moisture proof container (e.g. double plastic bags). The excess air present should be removed from any headspace in the container (in the case of plastic bags).

All these sample bags and containers must then be clearly labelled with details of variety and batch number (in the case if graded seed) or grower, variety and line number (in the case if ungraded seed). In addition to the requirement for all sample containers to be clearly identified with the variety name and lot number (in case of cleaned seed) or variety name, and lot number (in case of raw seed) it is also essential to ensure that the sample is accompanied by the relevant sample statement form.

If sampling is done during bagging by taking a sample from every 4th bag, it shall be necessary to use the 'Conical Divider' to reduce the larger composite sample down to the required submitted sample weight. For Orange International Certificates (OIC's), the sampling must be performed by an ISTA accredited sampler.

## ii. Fumigation Procedure

Following is the procedure followed by the Company to undertake fumigation of seeds;

- i. It is advisable to have stack of standard dimension for effective fumigation;
- ii. To check the fumigation, cover for any leakage. In case of any leakage, the same has to be rectified;
- iii. To check the moisture content of the seeds; and ensure that it is always under 12%;
- iv. To calculate the quantity to be fumigated to arrive at the dosage;
- v. To cover the stacks by folding on the four corners. And to check the cover properly with the help of torch light to find out if the cover is torn or ripped from any sides. In case of torn or ripped stack, ensure that, the said is plugged with the holes with a BOP tape;
- vi. To open the bottle carefully with the help of an opener. To calculate the tablets at the rate 3 to 4 tablets of Aluminium Phosphide per M.T. and put it in a disposable cups or tie in a perforated cotton cloth and keep it inside in all four sides equally on the top of the stack;
- vii. After placing the tablets, they have to be sealed and covered using either BOP tapes or sand bags. It is important to ensure that, the cover is leak proof. A visual display is pasted on the cover mentioning 'DANGER BOARD' is displayed with all the relevant information including phone number of the PCO's;
- viii. If any foul smell is sensed, during the fumigation period immediately caution has to be taken by barricading the area and undertaking the necessary suitable action;

- ix. In order to maintain aeration, the security/ maintenance persons are instructed to open all the windows/ doors;
- x. Care is taken to keep the people away from the premises and lift the cover of all the four corners; so as to allow the phosphine gas to escape. It is advisable to undertake the said activity in the evening, after ensuring that all the people have vacated the premises;
- xi. To remove the cover and collect the residues. The residue collected shall be taken away from the premises;
- xii. All kharif paddy seed produced should be fumigated and sundried to bring the moisture level below 11%. It is advisable that, fumigation should be done only one time only for the said stock. In case of need of second fumigation, the gap between first fumigation and second fumigation must be atleast for 2 months. In such a scenario, special care has to be adhered to remove and uncover the fumigation cover from the stack within a period 7 days only. The stock has to be sundried/ re-netting has to be undertaken;

iii. **Specific intake specifications and precautionary measures to be undertaken for OP Paddy Kharif**

**At Production Level**

- i. The crop shall be harvested after attaining physiological maturity;
- ii. To ensure that the seed reaches from farm to the Processing Plant within a period of 15 days from the day of harvest of such crop and to dry the seed at farm level;
- iii. Special care has to be taken to avoid storing of seed after harvest at the farmer's farm or any other place, in order to avoid admixture and fungal development on account of timely non-drying of seed by the farmer;
- iv. If the **MC is >12%**, the farmers are advised and asked to dry the seeds at common drying yard or at plant level, the cost for which shall be borne by the farmers. So as to retain the quality of the seeds, our Company rewards the farmers with incentives for the lots more than **12% MC** and imposes penalties in case less than **12%MC** lots;
- v. The supply of the quality seed to the plant is determined on the basis of the drying capacity of the plant per day. In this regard, production team rolls-out in advance day-wise schedule of dispatch on weekly intervals to the plant manager; who in turn is responsible for proper planning and management of Seed Production and processing, within the stipulated time;
- vi. These seeds are thereafter dispatched along with details of **date of harvest** of the lots. Special measures are undertaken to ensure that, each variety of seed is dispatched in different truck;
- vii. Following is the quality norms prescribed for OP Paddy Kharif Seeds

| Moisture | ODVs  | Discolor Seeds |
|----------|-------|----------------|
| <12% MC  | <0.2% | <5%            |

**At Plant Level**

- i. To verify the documents of controller, and thereafter unload the stock on the same day. Lot-wise sampling is to be done by the Plant Quality Team. This team has to cross-check the MC of each bag at 2-3 spots with probe moisture meter to find the variance of MC within bag. If the variance is in and around 1%, the variance bag is accepted; otherwise the variance bag is rejected and accept the homogeneous lots;
- ii. All **>12% MC** lots are to be dried within a period of **4 days** after processing through 'Pre-cleaner' and then the activity of mechanical drying has to be undertaken. All **<12% MC** lots are to be sundried on the platform within a period of **30 days** from the date of arrival. It is important to bring down the moisture at preferably **11%** after drying, if not at least at **11.5%**.

The samples are to be drawn from each bag at 2-3 spots from each lot. It is significant to test the MC of seed at 2-3 spots by using 'Probe Moisture Meter', from each bag to know the MC variance within the bag. The criteria for determination of acceptance and rejection of the bag is based on the MC variance percentage, for example, if the MC variance is around 1% the bag will be accepted, or if it is more than 1%, the bag is rejected. The sampling is to be carried out at the time of arrival, before drying and after drying, and at the time of renetting from each bag. The sample drawn at the time of Renetting shall also be used for Cyclic tests also;

- iii. The Company ensures that, stock is stored in ambient warehouse in not more than 12 tiers height;
- iv. The re-netting is undertaken by the Company after a period of two months from the date of arrival of seeds at the plant. At the time of re-netting, sampling activity is undertaken from each bag and this sample is thereafter used for further cyclic test;

### **Pest Control Operations**

The Company endeavors to maintain the warehouse well kept at all times by maintaining standard level of hygiene. In this regards, our Company undertakes spraying operations in and around the warehouse every week by altering the chemicals, to maintain sanitization and hygiene at the warehouse, and the vicinity adjacent to the warehouse.

### **Fumigation**

The intake of all kharif paddy are fumigated at raw seed stage, to ensure that all the insects are destroyed at larva stage and adult stage. These eggs can be naturally killed by ultraviolet rays of sun; and hence sun-drying activity is the most preferred way of drying for this crop.

### **Processing**

This activity is undertaken in order to ensure that smut balls, soil pebbles, paddy straw pieces, husk, rice need are properly removed. This activity is undertaken by undertaken uniformly by using recommended chemicals.

### **Packing**

The seed below 12% MC are packed ensuring the weight of the primary packet. Post packing, our Company shall also ensure that, labeling has been undertaken on the said packages as specified.

### **Responsibilities undertaken at Plant Operations**

- i. Timely unload of the arrivals, to dry and to ensure that all lots are to dried religiously irrespective of arrival moisture;
- ii. Undertake re-netting of all stacks are undertaken within a period of 2 months from the date of arrival for free aeration;
- iii. Carry on spraying operation on a weekly basis, preferably on every Tuesday, whereas fogging operation on are undertaken every Saturday. Further, fumigation of entire stock is undertaken before 15 days of processing of stock;
- iv. Keep the warehouse clean with good hygienic conditions;
- v. Process and pack the lot of seeds as per the approval request and thereafter timely dispatch the seeds;

## **b) Storage**

Our Company does not own any warehouse for the purpose of storing of agricultural produce. However, our Company vide a few agreements and mutual arrangements with few consignee and forwarding agents and storage

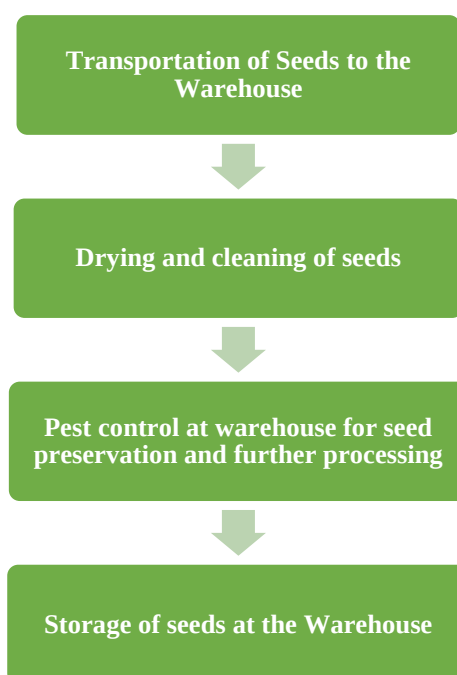
agents of various States, stores the said produce at the warehouse of the said agents. This facility enables us to store seeds without any deterioration of quality.

To facilitate timely distribution of seeds, our Company maintains seed distribution and storage facilities at strategic locations, including carrying and forwarding agent warehouses, which help us meet the requirements of our customers in different states in India. Some of these facilities are located within the same State in which our processing and conditioning facilities are located. We try to maintain additional stocks at these storage facilities to meet unexpected shortages in production or unexpected increases in demand. We also utilise our storage facilities to absorb excess production due to improved agricultural performance during a particular crop season. Set out below are details of these facilities as on the date of this Draft Prospectus:

| Sr. No. | Appointed Carrying and Forwarding Agent       | Location of warehouse/ godown                                                                        | Period of the agreement |                    | Consideration     |
|---------|-----------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------|--------------------|-------------------|
|         |                                               |                                                                                                      | From                    | To                 |                   |
| 1.      | M/s M.S. Trading                              | Karmali Chowk, Near Kriti Petrol Pump, Patna City, India                                             | May 01, 2020            | May 01, 2023       | ₹15,000 per month |
| 2.      | M/s Om Sai Agro Marketing                     | F-190, T.P.Nagar, Kanpur Road, Lucknow – 2260121, India                                              | September 15, 2020      | September 15, 2021 | ₹15,000 per month |
| 3.      | M/s Krishi Vaibhav Seeds and Fertilizers Arni | Ward No.01 B House No.1719, Near Jadhav Petrol Pump, Yavtmal Road, Arni – 445103, Maharashtra, India | May 26, 2020            | June 26, 2025      | ₹10,000 per month |
| 4.      | M/s Shree Radhe Krishna Cold Store            | 82, Village Dhabla, Rehwari, Bakaniya Road, infront of Bherav Maharaj Temple, Ujjain, India          | N.A                     |                    | N.A               |

**Note: We have not entered any agreement with Shree Radhe Krishna Cold Store**

#### Steps for Storage Process



#### Competitive Strengths

We have been in the business of seed production, processing and marketing for a period of more than fourteen years.

##### 1. We have hybrid seeds for a wide range of crops

We have hybrid seeds for wheat, soya, maize, bajra, etc. These varieties give us an edge in the market and we have the ability and infrastructure to further develop different hybrids in these crops. Our product portfolio gives us a natural hedge against dependence on any particular crop(s), and we have an advantage to meet changing

farmer needs even in the event of crop-shifting by farmers.

## 2. Over fourteen years of experience in the Industry

Lokendra Rajput, a graduate in agricultural science, is the founder of our Company. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. The main objective and motive of our Company has always been:

- Supply of quality seeds at the affordable price;
- Technical and economic strengthening of seed growers; and
- Making the required seeds available at the right place, at the right time and at the right price.

This motive and rich experience in this field has helped our Company in understanding ever-changing needs and demands of our customers. On account of this long-standing presence in the Indian market, we believe that we enjoy brand equity and reliability in the farming community.

We believe that the experience of our management team and its in-depth understanding of the agricultural input industry and the market for seeds in India will enable us to continue to take advantage of both current and future market opportunities. For further details, see the section titled '**Our Management**' on page 243 of this Draft Prospectus.

## 3. Our Research and Development capabilities

We have been undertaking R&D for breeding high performance hybrids. We have tied up with Lorven Biologics limited and the same is located at Shed No - 6, Pipeleine Road, Opposite to Porus Laboratories Ida, Jeedimetla, Hyderabad -500055, Telangana, India. However, the agreement is short term in nature. Our success depends on our ability to continue developing new products. Our strategy involves retaining and growing our market share by continuing to develop high quality, proprietary hybrids for the key markets in which we operate and to actively pursue the development of new technologies through our research and development efforts.

Further, we have an experienced and professionally qualified Research and Development team who are engaged in full time research.

## 4. Marketing and Distribution

We have a technically skilled marketing team. Further we have also engaged various distributors across the nation. This enables us to reach all the important markets of the country.

Following mentioned information pertains to the marketing agent engaged by the Company for undertaking marketing activities for our Company:

| Sr. No. | Name of the marketing agent  | Period of the Agreement |              |
|---------|------------------------------|-------------------------|--------------|
|         |                              | From                    | To           |
| 1.      | Zuari Agro Chemicals Limited | May 21, 2020            | May 20, 2023 |

We are also connected with other distributors in following states:

| S. No | Name of Distributors                             | States         |
|-------|--------------------------------------------------|----------------|
| 1     | Krusha Vaibhav Seeds & Fertilizer Pvt. Ltd. Arni | Tamil Nadu     |
| 2     | Sneh Sagar Enterprises Akola                     | Maharashtra    |
| 3     | Nathmal Champalal Kochar , Malkapur              | Maharashtra    |
| 4     | Pandilwar Fertilizers, Latur                     | Maharashtra    |
| 5     | Superdeal Agro Services, Amravati                | Maharashtra    |
| 6     | Vasundhara Fertilizer, Nanded                    | Maharashtra    |
| 7     | Balaji Krushi Sewa Kendra, Nanded                | Maharashtra    |
| 8     | Dongar Bheru Singh , Nawada ( H )                | Maharashtra    |
| 9     | M/S Sankalp Retail Store                         | Madhya Pradesh |
| 10    | Anand Krishi Kendra Badnera Amrawati             | Maharashtra    |

|    |                                           |                |
|----|-------------------------------------------|----------------|
| 11 | Nitin Marketing Service Pvt. Ltd., Nagpur | Maharashtra    |
| 12 | Bharat Beej Bhandar, Khamgaon             | Maharashtra    |
| 13 | Adarsh Agro Agencies, Jalgaon             | Maharashtra    |
| 14 | Kedar Krushi Seva Kendra, Latur           | Maharashtra    |
| 15 | Gendmal Pukhraj , Ujjain                  | Madhya Pradesh |

**Note: But there is no definite or formal agreement with aforesaid distributors.**

### **Promoter background**

Our promoter has deep domain knowledge, skill and experience in operating and managing agricultural input businesses in general and in particular, the business of production, marketing and distribution of seeds.

Mr. Lokendra Rajput, who is promoter and Managing Director of our Company has more than 15 years of experience in our business and has played a key role in the growth and development of our business. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. Under his leadership, he has taken the Company to its optimized zone by achieving the award ***Fastest Growing Indian Company Excellence Award*** by ***Indian Economic Development and Research Association***.

### **Business Strategy**

Our goal is to maintain and expand our presence as a national player in the seed industry with substantial product development capabilities. Our key strategies are set out below:

#### **1. Investment in Research and Development**

We believe that research and development has been a key component of our performance over the past few years and we believe that it will be a significant contributor to our business growth in the future. We believe that our success is dependent on our continued investment in and focus on research and development activities. Our strategy involves retaining and growing our market share by continuing to develop high quality seeds for the markets in which we operate and to actively pursue the development of new technologies through our research and development efforts.

The seed market is very dynamic in nature. Once a hybrid seed is developed and introduced in the market, its acceptability gradually declines from year to year. Therefore, we need to invest in research to introduce different high quality hybrids in the market to ensure sustainable growth levels in our revenues. Each new hybrid developed attracts the attention of farming community. Nature throws new challenges in the form of erratic monsoon, new diseases etc. Farmers also look forward for value added produce like better nutritional content, higher oil or protein, longer keeping quality etc. In order to keep abreast with competition, we scout the market for the latest technology and explore opportunities for acquiring licenses to such advanced technology.

The following are the key objectives of our research and development efforts:

- To conceptualize, plan, design, develop and implement seed development and crop management technologies and programs in line with farmers' and market's requirements;
- To assess yield and quality limiting factors/ genes in well adopted varieties of hybrid, research and certified seeds of major crops;
- To undertake market oriented research to understand the requirement of farmers and agro industries;

#### **2. Venturing into new product**

We believe that our success depends on our ability to understand the changing preferences and circumstances of farmers, who are our end consumers and developing new products to suit their preferences and requirements. We intend to continue to develop new varieties and hybrids of seeds which address these changing requirements. We have already penetrated into the market by producing certified seeds, hybrid seeds, and research seeds. We further intend to develop and escalate the chain of quality production in each of the crops being serviced by us, while retaining our hold on the varied seeds produced by us. We have already made progress in moving up the value chain in development of quality agricultural seeds. Through continuing research and development efforts and

further market penetration, our strategy is to ensure that we continue moving up the value chain through new and improved products which we hope will lead to better and higher margins and realizations.

### **3. Distribution Network**

Seeds require very careful handling, proper humidity and temperatures should be maintained to ensure viability until it is sown in the field. We try to ensure that our seeds are available in the market on a timely basis to meet agricultural demand. Supply chain logistics in the agricultural sector are highly complex because of the seasonal nature of demand. We recognize further building of distribution network as fundamental to our proposed expansion strategy. We shall focus on expansion of our distribution network throughout India, through setting up of marketing offices, go-downs and creating awareness among farmers and dealers. We believe that such expansion of our marketing and distribution capabilities shall significantly increase business opportunities.

### **4. Tie-up with technology providers**

It is absolutely necessary for us to keep abreast with the latest changes in seed science and take advantage of the latest technological developments. We use information technology and communication applications to further improve operational efficiencies in our business.

### **5. Marketing and sales promotion strategy**

While our product brands are important, we intend to continue to develop our corporate brand to enhance our brand recognition and improve cross-selling opportunities for products in our portfolio. Our strategy relies on increasing the focus on our corporate brand as well as standardizing product designs across our product range to provide greater visual uniformity and improve our corporate brand recall. We also believe that these brands provide us with a strong platform to maintain and increase our revenues. For example, we believe that the familiarity of our end consumers with, and their loyalty to, brands of our seeds and our corporate brands could in turn enable us to increase our revenues and may also grow for other crops which we shall produce seeds.

Marketing enables us not only to service our existing markets but also expand our reach further in most markets. Our core network of loyal and committed dealers has been built over our long presence in this market on the basis of proven product performance and meeting customer expectations.

We intend to create a specialized marketing team that will focus on marketing our agricultural seeds for vegetables and our field crops. Our other strategies to increase our market share for these field crops including, increasing our expenditure on research and development for such crops, increased brand-building exercises, greater collaboration with governmental agencies for farmer education programs and strategic alliances with other seeds companies.

### **Steps being taken by our Company against piracy and theft**

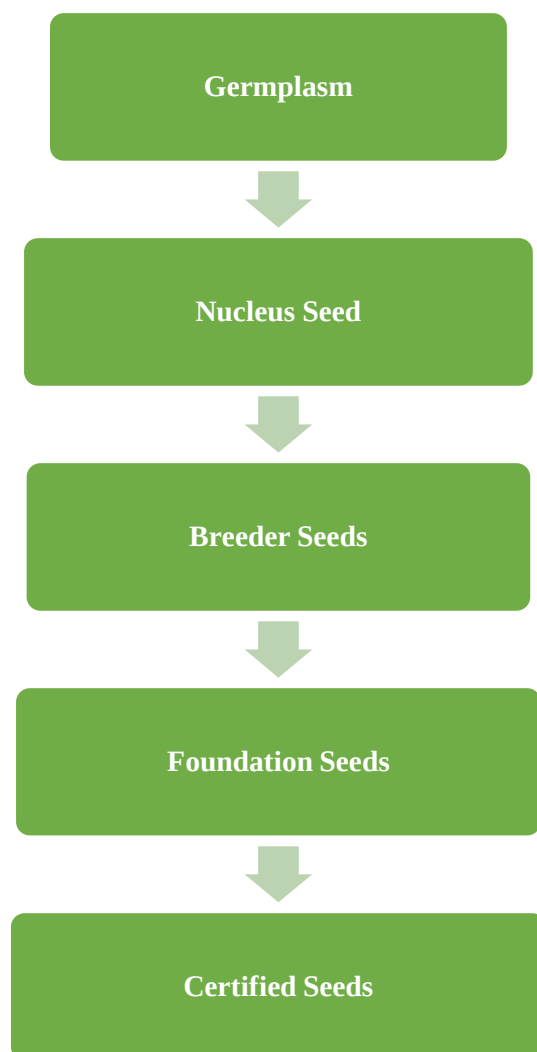
The following are the steps taken by our Company against threats like piracy and theft of Research and Development and new innovations:

- All the breeding material and breeder's seed of parental lines are only grown through our contract growers and tested with ensured physical security against stealing/ theft

### **Utilities and Infrastructure Facilities**

Our Registered Office is very well-equipped with computer systems, internet connectivity, other communication equipment, security and other such other facilities, as required for efficient and smooth functioning of our business operations. Further, our Registered Office and seed processing plants located at Madhya Pradesh is are also equipped with basic necessities of water and electricity provided by respective authorities. The power requirements for our Company and our seed processing plants located at Madhya Pradesh are met at site through normal distribution channel like State Electricity Board.

### Steps in Research and Development Process



### Land and Properties owned by our Company

Nil

### Land and Properties taken on lease by our Company

Our one warehouse, located at Jaithal are taken on lease by us from one of our Promoter Director, Rashmi Rajput. The brief details of the warehouse are as follows:

| Sr. No. | Location of the property                                                   | Lessor/ Lessee                                             | Lease Rent/ License Fee   | Square Feet area of the Property | License Period |                | Activity                                                                                                      |
|---------|----------------------------------------------------------------------------|------------------------------------------------------------|---------------------------|----------------------------------|----------------|----------------|---------------------------------------------------------------------------------------------------------------|
|         |                                                                            |                                                            |                           |                                  | From           | To             |                                                                                                               |
| 1.      | C-2/1, Mahananda Nagar, Dewas Road, Ujjain, Madhya Pradesh – 456010, India | Lessor - Pushpa Rajput<br>Lessee – Vardaan Biotech Limited | ₹25.00/ - per square feet | 3200 square feet                 | April 01, 2020 | March 31, 2021 | To carry on the business of our Company at the said property, referred to as Registered Office of our Company |



| Sr. No. | Location of the property                                                                            | Lessor/ Lessee                                                                      | Lease Rent/ License Fee | Square Feet area of the Property | License Period   |                   | Activity                                                                                              |
|---------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------|----------------------------------|------------------|-------------------|-------------------------------------------------------------------------------------------------------|
|         |                                                                                                     |                                                                                     |                         |                                  | From             | To                |                                                                                                       |
| 2.      | Plot No. 312, KLR Venture, Medchal, M.M District 501 401, India                                     | Lessor - Sri.B.Sridhar Yadav<br><br>Lessee – Vardaan Biotech Limited                | ₹13,10 0.00/-           | -                                | January 04, 2021 | December 03, 2021 | To carry on the commercial business of our Company                                                    |
| 3.      | New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg Maksi Road Factory Area | Landlord: Modern Food Industries Ltd<br><br>Tenant: Vardaan Biotech Private Limited | Re 1/ Sq Ft             | 9000 Square Ft                   | April 01, 2020   | March 31, 2021    | Building is leased and the Plant & Machinery is installed and owned by us.                            |
| 4.      | Survey No.262, Village Jaithal, Patwari Halka No.42 Teh. and Dist. Ujjain.                          | Landlord: Mr. Lokendra Rajput<br><br>Tenant: Vardaan Biotech Private Limited        | ₹10,00 0/-              | 44132.03 27 Square Ft            | June 01, 2020    | May 31, 2038      | Land is leased. Our Company constructed its own Building on that land and installed Plant & Machinery |

Our one warehouse, located at Jaithal are taken on lease by us from one of our Promoter Director, Rashmi Rajput. The brief details of the warehouse are as follows:

| Sr. No. | Location of the property                                         | Owned by         | Lease Rent/ License Fee | Date of Agreement               |
|---------|------------------------------------------------------------------|------------------|-------------------------|---------------------------------|
| 1       | Survey No.261, Patwari Halka No. 21, Tehsil Ghatiya Dist. Ujjain | Ms Rashmi Rajput | 1,65,000/ pm            | N.A [No agreement was executed] |

### Intellectual property

We sell seeds under the brand name ‘Vardaan’. However, our Company does not own neither has registered the trade mark for the brand name ‘Vardaan Seeds’.

### Our Competition

Much of the Indian seed market is unorganized and is fragmented with many small and medium-sized companies. We face substantial competition in the seed market from other seed companies, and subsidiaries or divisions of large multinational corporations, as well as domestic competitors. We compete with other seed manufacturers on the basis of availability of product, product range, product traits, based on price, reputation, regional needs, customer service and customer convenience. The introduction of biotechnology has resulted in the entry of various agrochemical companies into the seed industry.

Our Company’s major competitors are Ankur Seeds Private Limited, Rasi Seeds Private Limited, Seminis Vegetable Seeds (India) Private Limited, and Syngenta India Limited. However, competition levels vary for each crop. There is no Company that is a leader in all the crops. In addition, the market share keeps changing

constantly with advent of new technologies and hybrids. It has been observed that brand conversions in crops are very high. In present competitive environment, companies which develop effective hybrids and have state of the art research and development infrastructure will be increasingly differentiated from the others in the field.

## Our Employees

As on the date of this Draft Prospectus, we have 47 full-time employees. We also employ a number of seasonal workers, which varies greatly during the year due to the seasonal nature of our business. We maintain good relationships with our employees. None of our employee are unionized and there have been no instances of any labour unrest, agitation or strike at any of our facilities. We provide our employees with performance-based compensation and our internal policies emphasize training sessions and continuous learning and development. We also operate a royalty bonus scheme, which provides eligible employees with a financial reward based on the amount of net sales achieved for certain seed products.

The following chart shows the breakdown by position of full-time employees across the Company as on the date of this Draft Prospectus:

| Category               | No. of employees |
|------------------------|------------------|
| General administration | 13               |
| Production             | 13               |
| Sales and Marketing    | 22               |
| <b>Total</b>           | <b>47</b>        |

## Health, Safety and Environment

As our company is operating in the seeds business, we are required to comply with various laws, rules and regulations relating to health, safety and environment. We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations. For further details, see the section titled ***‘Government and Other Approvals’*** beginning on page 225 of this Draft Prospectus. We operate a safety management system at all our production and processing facilities, make conscious efforts to improve our safety record and have provided personal and other industrial safety equipment to all employees working at our facilities to protect our employees. We have installed the necessary equipment for treatment of effluents generated during our seed production and processing operations and to the extent possible, we minimize the use of harmful insecticides, pesticides and fertilizers during our operations. We try to take adequate precautions to preserve the environment and protect the safety of our employees whenever any chemicals are used. There are currently no proceedings against us, or any of our Directors, officers or employees, in relation to violation of any environmental regulations. We do not employ child labour at any of our facilities.

## Litigation

For details relating other legal proceedings involving our Company, our Directors, our Promoters, see the section titled ***‘Outstanding Litigation and Material Developments’*** beginning on page 222 of this Draft Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments and other regulatory bodies, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, 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. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled '*Government and Other Approvals*' beginning on page 225 of this Draft Prospectus.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### I. INDUSTRY SPECIFIC LAWS

#### **The Seed Act, 1966**

The Seeds Act, 1966 (the "Seeds Act") regulates the quality of certain seeds for sale. No person is permitted to carry on the business of selling, keeping for sale, offering for sale, bartering or otherwise supplying any seed of any notified kind or variety unless (a) such seed is identifiable as to its kind or variety, (b) such seed conforms to the minimum limits of germination and purity as prescribed by the Central Government and (c) the container of such seed bears in the prescribed manner, the mark or label containing the correct particulars thereof as specified under the Seeds Act. Further, no person is permitted for the purpose of sowing or planting, exporting or importing (or causing to be exported or imported) any seed of any notified kind or variety unless (a) such seed conforms to the minimum limits of germination and purity as prescribed by the Central Government, and (b) the container of such seed bears in the prescribed manner, the mark or label containing the correct particulars thereof as specified under the provisions of the Seeds Act. The Seeds Act provides for obtaining of a certificate for carrying out the above mentioned activities.

#### **The Seed (Control) Order, 1983**

The Seeds (Control) Order, 1983 (the "Seeds Control Order") issued under the Essential Commodities Act necessitates every person carrying on the business of selling, exporting, or importing seeds to obtain a license. Provision 3(1) of the Seeds Control Order states that no dealer shall sell, export or import seeds in contravention to the terms and conditions of the license granted under the Seeds Control Order. As per Provision 6, every license granted shall be valid for a period of three years from the date of its issue unless previously suspended or cancelled.

Pursuant to the Seeds Control (Amendment) Order, 2006, every dealer of seeds in notified kind or variety or other than notified kind or variety of seeds shall ensure that the standards of quality of seeds claimed by him shall conform to the standards prescribed for the notified kind or variety of seeds under Section 6 of the Seeds Act, 1966 and any other additional standards relating to size, colour and content of the label as may be prescribed.

#### **M.P Shops & Establishment Act, 1958**

M.P Shops & Establishment Act, 1958 applies to the local areas specified in Schedule I. The State Government may, by notification, direct that all or any of the provisions of this Act shall apply to any other local area as may be specified in the notification on such date as may be fixed therein and different dates may be fixed for different provisions of this Act and for different classes of establishments.

Every establishment to which this Act applies shall be registered in accordance with the provision of this section. Within thirty days from the date on which this Act applies to an establishment, its employer shall send to the

Inspector of the area concerned a statement, in the prescribed form, together with such fees, as may be prescribed.

#### **Essential Commodities Act, 1955**

The Essential Commodities Act, 1955 (the “Essential Commodities Act”) provides for the regulations relating to production, supply, distribution, trade and commerce of the commodities that are declared as essential, for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices.

Under the ECA, if the Central Government is of the opinion that it is necessary or expedient to (i) maintain or increase supply of any essential commodity (as defined under the ECA); (ii) secure their equitable distribution and availability at fair price; or (iii) for the defence of India or conduct of any military operation, it may *inter alia*, (a) regulate the production or manufacture; (b) control the price; (c) regulate the storage, transport, distribution, disposal, acquisition or use; (d) prohibit the withholding from sale; and (e) require any person holding stock to sell to the Central Government or State Government, in respect of such essential commodity.

The control orders issued under the ECA regulate essential commodities. Penalties under the ECA for contravention of its provisions include fine, imprisonment and forfeiture of the goods.

#### **Agriculture Produce (Grading & Marketing) Act, 1937**

The Directorate of Marketing and Inspection enforces the Agricultural Produce (Grading and Marketing) Act, 1937. Under this Act Grade standards are prescribed for agricultural and allied commodities. These are known as Agmark standards. Grading under the provisions of this Act is voluntary. The DMI enforces the Agricultural Products (Grading and Marketing) Act, 1937. Manufacturers who comply with standard laid down by DMI are allowed to use ‘Agmark’ labels on their products.

#### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“**Legal Metrology Act**”) governs the standards/ units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measure or number. It also states that any transaction/ contract relating to goods/ class of goods shall be as per the weight/ measurements/numbers prescribed by the Legal Metrology Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the Legal Metrology Act is an offence, as is tampering or altering any reference standard, secondary standard or working standard. Moreover, the Legal Metrology Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the Legal Metrology Act.

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

The Food Safety and Standards Act, 2006 (“Food Safety Act”) regulates the manufacture, storage, distribution, sale and import of food products including wines, liquor and alcoholic beverages. Every person involved in the business of carrying out any of the activities related to *inter alia* manufacture, processing, packaging, storage, transportation, or distribution of food is required to procure a license in accordance with the Food Safety Act read with Food safety and Standards (Licensing and Registration of Food Businesses), Regulations 2011.

#### **ISO 9001: 2015**

ISO 9001:2015 specifies requirements for a quality management system when an organization: a) needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and b) aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

All the requirements of ISO 9001:2015 are generic and are intended to be applicable to any organization, regardless of its type or size, or the products and services it provides.

## II. CORPORATE LAWS

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

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. With the help of Udo Aadhar, registration can be done under MSME (Ministry of Micro, Small and Medium Enterprises). Udyog Aadhaar is the 12 numerical registration number issued by the MSME Ministry of the Government of India.

## III. EMPLOYMENT AND LABOUR LAWS

### **Madhya Pradesh Factories Rules, 1962**

The Madhya Pradesh Factories Rules, 1962 is a social legislation that has been enacted for occupational safety, health, and welfare of workers at work place. The State of Madhya Pradesh has formulated its rules as envisaged under the Act. The Act is applicable to all factories situated in Madhya Pradesh, including State and Central Government, in the premises wherein a) 10 or more workers are employed with the use of power b) 20 or more workers are employed without the use of power. c) Less than 10 workers, if activity is notified by the State Government.

An occupier shall not use any premises as a factory or carry on any manufacturing process in a factory or part of a factory unless he has or deemed to have a valid license in respect of such factory in accordance with the rules.

### **The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The EPFA came into force on March 4, 1952 and amended on September 1, 2014. Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to

the statutory employee's provident fund. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, the employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

#### **Employees Deposit Linked Insurance Scheme, 1976**

The Employees Deposit Linked Insurance Scheme (EDLI) scheme was enacted as a part of the benevolent social legislation passed by the Government of India in the year 1976. The EDLI scheme is an insurance scheme promulgated by the Government among other social welfare initiatives for the employees of the organised sector. Under this scheme, a lump sum payment is provided to the beneficiary of the employee in case of he/she dies during the service period. An organisation that is covered under the Employee's Provident Fund (EPF) and Miscellaneous Provision Act 1952 are liable to subscribe EDLI scheme.

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

The Employees State Insurance Act of 1948 has been enacted with the objective of securing financial relief in cases of sickness, maternity and 'employment injury' to employees of factories and their dependent and to make provision for certain other matters in relation thereto. The Act is applicable to all the Factories including Factories belonging to the Government. Further, employer and employees both are required to make contribution to the fund at the rate prescribed by the Central Government. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The act provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The employer has to maintain proper registers and relevant documents of all the employees and workers as prescribed by law.

#### **The Minimum Wages Act, 1948, as amended (the "Minimum Wages Act")**

The Minimum Wages Act came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Every employer is required to maintain such registers and records as prescribed by the Minimum Wages Act.

Workmen are to be paid for overtime at overtime rates stipulated by the appropriate State Government. The appropriate State Government may prescribe rules including the mode of calculating the cash value of wages, time and conditions of payment and permissible deductions from wages.

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

The Maternity Benefit Act, 1961, as amended from time to time ("Maternity Benefit Act"), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits like medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. Government further amended the Act which is known as "The Maternity Benefit (Amendment) Act, 2016, effective from March 28, 2017 introducing more benefits for pregnant women in certain establishments. It applies to all establishments which are factories, mines, plantations, Government establishments, shops and establishments under the relevant applicable legislations, or any other establishment as may be notified by the Central Government.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

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

The payment of Bonus Act, 1965 aims to regulate the amount of bonus paid to the persons employed in certain establishments based on their profits and productivity. Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, is eligible to be paid a bonus. It further provides for the payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

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

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- (a) On his/her superannuation;
  - (b) On his/her retirement or resignation;
  - (c) On his/her death or disablement due to accident or disease
- (In this case the minimum requirement of five years does not apply)

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

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

#### **Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)**

CLRA has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. 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.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal

employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

**Employees' Compensation Act, 1923, as amended (the "Employees' Compensation Act"):**

The Employee's Compensation Act, 1923 came into force on July 1, 1924. The act has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Indian Parliament approved certain amendments to the Employee's Compensation Act, 1923, as amended, to substitute, inter-alia, references to "workmen" with "employees" including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees' Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees' Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

**The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

#### **IV. ENVIRONMENTAL LAWS**

**The Environment (Protection) Act of 1986 ("EPA")**

The EPA has been formulated by the Government of India for the protection and improvement of the environment in India and for matters connected therewith. The EPA is an umbrella legislation designated to provide a framework for the Government of India to co-ordinate activities of various state and central authorities established under previous environmental laws. 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 for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution.

**The Water (Prevention and Control of pollution) Act, 1981**

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

**The Air (Prevention and Control of pollution) Act, 1981**

The Act provides for the prevention, control and abatement of air pollution. The Act envisages establishing a Central Board as well as State Pollution Control Boards in each state. As per the Act, no person operating any



industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

## **V. TAX RELATED LAWS**

### **The Income Tax Act, 1961**

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

### **The Goods and Service Tax (GST)**

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST has mainly removed the Cascading effect on the sale of goods and services. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

### **Professional Tax**

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

## **VI. INTELLECTUAL PROPERTY RELATED LAWS**

### **The Trademark Act, 1999**

The Trademark Act, 1999 was developed keeping in view the need for simplification of and harmonization of Trademarks system, registration and statutory protection for the purpose of prevention of the use of fraudulent marks in India. A trademark is a mark capable of being represented graphically and which is capable of

distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Once granted, trade mark registration is valid for ten years unless cancelled, which may be renewed for similar periods on payment of a prescribed renewal fee. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

## **VII. FOREIGN REGULATIONS**

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

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 ("FEMA") was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

### **FEMA Regulations**

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

## **VIII. GENERAL LEGISLATIONS**

### **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

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

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Transfer of Property Act, 1882 ("TP Act")**

The Transfer of Property Act, 1882 (the "TP Act") establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer

and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

#### **The Information Technology Act, 2000**

The Information Technology Act, 2000 (the IT Act) is an Act of the Indian Parliament notified on October 17, 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber-crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, and the unauthorized disclosure of confidential Information and computer fraud.

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

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

#### **The Registration Act, 1908**

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

#### **Negotiable Instruments Act, 1881**

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheque without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheque on the ground of insufficiency of funds in the account maintained by a person with the banker.

#### **Limitation Act, 1963**

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

#### **The Sale of Goods Act, 1930**

The contract of the sale of goods is governed by The Sale of Goods Act, 1930. A contract for the sale of goods has certain unusual features such as transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for the sale of goods, etc. The Act deals with the subject-matter of movable property. This Act does not deal with the sale of immovable property. The transaction relating to immovable properties, e.g., the sale, lease, gifts, etc., are governed by a separate Act known as the Transfer of Property Act, 1882. All essential elements of a valid contract must be present in the contract of the sale.

In addition to the above, our Company is also required to comply with other applicable provisions and statutes imposed by the Central or the State for its day-to-day operations.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as 'Vardaan Biotech Private Limited' pursuant to a certificate of incorporation dated December 20, 2007 issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh, as a private limited company under the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of the company was changed from 'Vardaan Biotech Private Limited' to 'Vardaan Biotech Limited' vide special resolution passed by the shareholders at an extra-ordinary general meeting convened at January 05, 2021 and a fresh certificate of incorporation was issued by the Registrar of Companies, Gwalior dated January 15, 2021. The Corporate Identification Number of our Company is U15495MP2007PLC020132.

As on date of this Draft Prospectus, our Company has seven (7) shareholders.

### Change in Registered Office

As on the date of filing this Draft Prospectus, the registered office of our Company is situated at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India;

The details of the change in our registered office since incorporation are detailed below:

| Effective Date of Change | Details of Change                                                                                                                                                                                                                                                     | Reason(s) for Change        |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| March 22, 2013           | The Registered office of the Company was shifted from 66, Kirti Nagar, Ujjain – 456010, Madhya Pradesh, India to A-9/14 Basant Vihar, Ujjain– 456010, Madhya Pradesh 456 010, India within the same city and in the near vicinity of the previous location.           | For administrative purposes |
| March 07, 2015           | The Registered office of the Company was shifted from A-9/14 Basant Vihar Ujjain – 456010, Madhya Pradesh, India to C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India within the same city and in the near vicinity of the previous location | For administrative purposes |

### MAIN OBJECTS OF OUR COMPANY

The main object contained in the Memorandum of Association of our Company is as mentioned below:

- To carry on the business of manufactures, processors, grading, sorting, cutting, seeding, packing, grinders, millers, producers, extractors, job works, refiners, agents, buyer, traders, importers, exporters, stockiest distributors, selling agents, representatives commission agents, general brokers farmers, cultivators, producers dealers of or otherwise deal in all kind of seeds of and pulses, spices, cereals, wheat, seeds, oilseeds, oil seeds, grams, rice, soya beans and all kind of grains and its allied products, oil seeds & their products, vegetables, fruits, fruit pulp including all kinds of fresh/ frozen/ dehydrated and tin packed vegetables, agro products fruit, jams, jellies, pulse juices, squashes, sauces, soya products, pickles, tea, coffee, herbal plantation, horticulture, floriculture, sericulture, pisciculture, forest produce, food products in raw, finished or semi-finished form oil cakes, seed crushers, oil extractors, Animal feeds, poultry feeds, compounded or mixed feed, concentrates, mineral, vitamins, proteins, minerals mixture, animal proteins, molasses and by-products and to carry on the business of manufacturers and sellers, dealers, stockiest, distributors, agents of all kinds of equipments used in agriculture and all jobs allied thereto.*
- For the purpose of carrying on the above activities, to construct, to purchase, take on lease, license or otherwise acquire, any plant and machinery, land or plantation estates or properties and to sell dispose of and deal in the same.*

The main object as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out. For further details, please refer to the section titled '**Objects of the Issue**' beginning on beginning page on 81 of this Draft Prospectus.

## AMENDMENTS TO OUR MEMORANDUM OF ASSOCIATION

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Draft Prospectus:

| Date of Shareholders' Resolution | EGM/ AGM                       | Particulars                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 10, 2014                   | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹1,00,000.00 comprising of 10,000 equity shares of face value of ₹10.00/- each to ₹21,00,000.00 comprising of 2,10,000 equity shares of face value of ₹10.00/- each'</i>                |
| December 8, 2014                 | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹21,00,000.00 comprising of 2,10,000 equity shares of face value of ₹10.00/- each to ₹61,00,000.00 comprising of 6,10,000 equity shares of face value of ₹10.00/- each'</i>             |
| February 19, 2018                | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹61,00,000.00 comprising of 6,10,000 equity shares of face value of ₹10.00/- each to ₹1,01,00,000.00 comprising of 10,10,000 equity shares of face value of ₹10.00/- each'</i>          |
| May 24, 2018                     | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹1,01,00,000.00 comprising of 10,10,000 equity shares of face value of ₹10.00/- each to ₹1,51,00,000.00 comprising of 15,10,000 equity shares of face value of ₹10.00/- each'</i>       |
| February 24, 2020                | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹1,51,00,000.00 comprising of 15,10,000 equity shares of face value of ₹10.00/- each to ₹3,00,00,000.00 comprising of 30,00,000.00 equity shares of face value of ₹10.00/- each'</i>    |
| November 23, 2020                | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹3,00,00,000.00 comprising of 30,00,000.00 equity shares of face value of ₹10.00/- each to ₹4,00,00,000.00 comprising of 40,00,000.00 equity shares of face value of ₹10.00/- each'</i> |
| January 05, 2021                 | Extra-Ordinary General Meeting | Alteration of MoA due to conversion to limited company from 'Vardaan Biotech Private Limited' to 'Vardaan Biotech Limited'                                                                                                                                                                                                            |
| February 03, 2021                | Extra-Ordinary General Meeting | Amendment to Clause V to reflect increase of the authorised share capital, as follows:<br><i>'The authorized share capital was increased from ₹4,00,00,000.00 comprising of 40,00,000.00 equity shares of face value of ₹10.00/- each to ₹5,00,00,000.00 comprising of 50,00,000.00 equity shares of face value of ₹10.00/- each'</i> |

## ADOPTION OF NEW ARTICLES OF ASSOCIATION OF COMPANY

Our Company has adopted a new set of Articles of Association of the Company subsequent to the conversion to limited Company, in the Extra-Ordinary General Meeting of the Company dated January 05, 2021.

## MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth the key events in the history of our Company:

| Year    | Particulars                                                                                                                                                                                                                                                    |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2021    | Conversion of our Company from private to public i.e. from 'Vardaan Biotech Private Limited' to 'Vardaan Biotech Limited'                                                                                                                                      |
| 2019-20 | ISO Certificate under Quality Management System (Processing and Marketing Seeds)                                                                                                                                                                               |
| 2018    | Recognized for 'Woman Entrepreneur Excellence Award' on the occasion of 10 <sup>th</sup> International Achievers Summit on Global Corporate Achievers and Social Responsibilities on April 20, 2018 at Bangkok;                                                |
| 2018    | Recognized for 'Outstanding Achievement Award for Business Excellence' on the occasion of 10 <sup>th</sup> International Achievers Summit on Global Corporate Achievers and Social Responsibilities on April 20, 2018 at Bangkok;                              |
| 2017    | Recognized for 'Fastest Growing Indian Company Excellence Award' by Indian Economic Development and Research Association on the occasion of National Seminar on 'National Economic Development and Social Responsibilities' on December 02, 2017 at New Delhi; |
| 2007    | Incorporation of the company in the name of 'Vardaan Biotech Private Limited'                                                                                                                                                                                  |

## AWARDS, ACCREDITATIONS OR RECOGNITIONS

Our Company has received the following awards, accreditation and recognition:

| Sr. No. | Accreditation                                         | Year of Award |
|---------|-------------------------------------------------------|---------------|
| 1.      | Fastest Growing Indian Company Excellence Award       | 2017          |
| 2.      | Outstanding Achievement Award for Business Excellence | 2018          |
| 3.      | Women Entrepreneur Excellence Award                   | 2018          |

## HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have a holding company.

## SUBSIDIARIES AND JOINT VENTURES

As on the date of this Draft Prospectus, our Company does not have any subsidiaries and joint ventures.

## STRIKES AND LOCK-OUTS

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

## TIME/ COST OVERRUN

There have been no time/ cost overruns pertaining to our business operations since incorporation.

## CAPACITY OR FACILITY CREATION AND LOCATIONS OF PLANTS

Except as disclosed under section titled '**Our Business**', our Company has not created any other facility or capacity or any plants.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled.

## **DETAILS OF ACQUISITION OR DIVESTMENTS**

Our Company has not acquired nor divested any business/undertaking in the 10 years preceding the date of this Draft Prospectus.

## **MERGERS OR AMALGAMATION**

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Prospectus.

## **REVALUATION OF ASSETS**

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Prospectus.

## **DETAILS OF SHAREHOLDERS' AGREEMENTS**

As on the date of this Draft Prospectus, there are no subsisting shareholder's agreements among our shareholder's vis-a-vis our Company, which our Company is aware of.

## **OTHER AGREEMENTS**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Further, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

## **FINANCIAL AND / OR STRATEGIC PARTNERS**

Our Company does not have any financial and/or strategic partners as of the date of filing this Draft Prospectus.

## **GUARANTEES GIVEN BY OUR PROMOTER**

Other than for certain loans availed by our Company, for which our Promoters have provided personal guarantees towards security, as of the date of this Draft Prospectus, our Promoters have not provided any guarantees to third parties. For further details, please refer to the section titled '*Financial Indebtedness*' beginning on page 221 of this Draft Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as mentioned above in the section titled '*Our Business*' and '*History and Certain Corporate Matters*' beginning on page 122 and 154, respectively, of this Draft Prospectus, there has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors in the last five years.

## **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions/ restraining orders that have been passed against the Company.

## **OTHER DECLARATIONS AND DISCLOSURES**

Our Company is not a listed entity. Our Company has made an application to NSE Emerge for listing of its equity shares on the NSE Emerge on [●] and has received the In-Principal Approval on [●]. Further, our Company had/ has neither received any objections or rejections post receipt of the In-Principal Approval dated [●] and our securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any public issue (as defined in the SEBI (ICDR) Regulations) in the past. Further, no action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is neither a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985; nor is our Company under winding-up process nor has it received any notice for striking off its name from the Registrar of Companies.

## **FUND RAISING THROUGH EQUITY OR DEBT**

For further details in relation to our fund-raising activities through equity and debt, please refer to the section titled '*Restated Financial Statement*' and '*Capital Structure*' beginning on page 182 and 67, respectively, of this Draft Prospectus.



## OUR MANAGEMENT

### Board of Directors

As on the date of this Draft Prospectus, our Board comprises of five (5) Directors, including two (2) Executive Directors and three (3) Non-Executive Directors.

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term and DIN                                                                                                                                                                                                                                                                                                                                                                       | Age (in years) | Other Directorships |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------|
| 1.      | <b>Lokendra Rajput</b><br><i>DIN:</i> 01801160<br><i>Date of appointment:</i> January 25, 2021<br><i>Occupation:</i> Business<br><i>Date of Birth:</i> October 01, 1977<br><i>Designation:</i> Chairman and Managing Director<br><i>Address:</i> A-9/14, Basant Vihar, Indore Road, Ujjain, Madhya Pradesh 456 010, India.<br><i>Nationality:</i> Indian<br><i>Term:</i> For a period of five years and is liable to retire by rotation | 43 years       | Nil                 |
| 2.      | <b>Rashmi Rajput</b><br><i>DIN:</i> 01806022<br><i>Date of appointment:</i> December 12, 2007<br><i>Occupation:</i> Business<br><i>Date of Birth:</i> March 31, 1976<br><i>Designation:</i> Executive Director<br><i>Address:</i> A-9/14, Basant Vihar Colony, Ujjain, Madhya Pradesh 456 010, India.<br><i>Term:</i> Liable to retire by rotation                                                                                      | 44 years       | Nil                 |
| 3.      | <b>Pushpa Rajput</b><br><i>DIN:</i> 08122272<br><i>Date of appointment:</i> April 20, 2018<br><i>Occupation:</i> Business<br><i>Date of Birth:</i> December 01, 1958<br><i>Designation:</i> Non-Executive Director<br><i>Address:</i> Purani Housing Board Colony, Morena, Madhya Pradesh 476 001, India.<br><i>Nationality:</i> Indian                                                                                                 | 62 years       | Nil                 |

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term and DIN                                                                                                                                                                                                                                                                                                                                                                                    | Age (in years) | Other Directorships                                                                                                                                           |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | <i>Term:</i> Liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                                                                                                                               |
| 4.      | <b>Mithun Bhatt</b><br><i>DIN:</i> 07299895<br><i>Date of Appointment:</i> February 03, 2021<br><i>Occupation:</i> Professional<br><i>Date of Birth:</i> January 14, 1982<br><i>Designation:</i> Independent Director<br><i>Address:</i> 4 Gola Mandi, Yogeshwar Krishna Bhawan, Ujjain, Madhya Pradesh 456 001, India<br><i>Nationality:</i> Indian<br><i>Term:</i> For a term of five (5) consecutive years upto February 03, 2026                 | 39 years       | a) Manish Agro-Tech Limited;<br>b) Himalaya Finlease Private Limited;<br>c) Art Venture Finance (India) Private Limited;<br>d) Ind Global Securities Limited. |
| 5.      | <b>Avinash Khare</b><br><i>DIN:</i> 06669669<br><i>Date of Appointment:</i> February 03, 2021<br><i>Occupation:</i> Business<br><i>Date of Birth:</i> May 28, 1982<br><i>Designation:</i> Independent Director<br><i>Address:</i> 10/914, Arun Nagar, Anantpur Rewa, Alpa Aya Warg Society, Huzur, Rewa, Madhya Pradesh 486 002, India<br><i>Nationality:</i> Indian<br><i>Term:</i> For a term of five (5) consecutive years upto February 03, 2026 | 38 years       | a) Avni Cleaning & Pest Control Services Private Limited;                                                                                                     |

For further details on their qualification, experience etc., please see their respective biographies under the heading 'Brief Biographies' below.

#### **Brief Biographies of the Directors of our Company**

**Lokendra Rajput**, aged 43 years, has been director on the Board since incorporation and has re-appointed as Chairman and Managing Director w.e.f. January 25, 2021. He has completed his graduation in Bachelor of Science (Agriculture) from Jawaharlal Nehru Krishi Vishwa Vidyalaya College of Agriculture, Gwalior, Madhya Pradesh; and has completed his master's in Business Administration (Marketing) from Devi Ahilya Vishwavidyalaya, Indore and pursued export, import diploma in agriculture. He has more than 15 years of experience in agriculture and seed processing. Under his dynamic leadership, our Company has received the award of 'Fastest Growing Indian Company Excellence Award' by Indian Economic Development & Research Association, and 'Outstanding Achievement Award for Business Excellence' on 10<sup>th</sup> International Achievers Summit on 'Global Corporate Achievements and Social Responsibilities' for his entrepreneurship. Further, he has been associated with the Company as a Promoter. He is responsible for the marketing and overall working of the Company and is instrumental in making strategic decisions for the Company.

**Rashmi Rajput**, aged 44 years, is the Executive Director of our Company and is associated with our Company since incorporation. She holds a Bachelor degree in Science, Part – III from Jiwaji University, Gwalior and has completed her masters in Science in Library and Information Science from Government Maharani Laxmibai Arts and Commerce Autonomous College, Gwalior, Madhya Pradesh. She is one of the most versatile woman entrepreneur and has taken the company to its height by achieving '*Women Entrepreneur Excellence Award*' on the Occasion of 10<sup>th</sup> International Achiever Summit held at Bangkok. She is associated with the Company since its inception as a Promoter. She has more than 10 years of experience in agriculture and seed processing.

**Pushpa Rajput**, aged 62 years, is the Non-Executive Director of our Company w.e.f April 20, 2018. She is an undergraduate. She is also a Promoter of our Company. She has more than 10 years of experience in agriculture and seed processing.

**Mithun Bhatt**, aged 39 years, is an Independent Director of our Company w.e.f February 03, 2021. He holds a masters' degree in Law with specialization in criminal law from Oriental University at Indore. He is an advocate by profession and has an established experience of two years in the legal field.

**Avinash Khare**, aged 38 years, is the Independent Director of our Company w.e.f February 03, 2021. He has completed his graduation in Bachelor of Commerce from Government TRS Autonomous College, Rewa, Madhya Pradesh affiliated to Awadesh Pratap Singh University situated in Rewa, Madhya Pradesh. He has also successfully completed his Professional Education Examination – II conducted by the Institute of Chartered Accountants of India. He has more than five years of experience in pest control services. He is also the director of Avni Cleaning & Pest Control Services Private Limited.

#### Relationships between the Directors

The Directors of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

| Name of the Director | Name of the Related Director | Relationship    |
|----------------------|------------------------------|-----------------|
| Pushpa Rajput        | Lokendra Rajput              | Son             |
|                      | Rashmi Rajput                | Daughter-in-law |
| Lokendra Rajput      | Pushpa Rajput                | Mother          |
|                      | Rashmi Rajput                | Spouse          |
| Rashmi Rajput        | Lokendra Rajput              | Husband         |
|                      | Pushpa Rajput                | Mother-in-law   |

#### Compensation and remuneration to Managing/ Whole-time Directors

The remuneration payable to our Managing/ Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sub-Section (54) and Sub-Section (94) of Section 2 of the Companies Act, 2013, read with Section 196, Section 197, Section 198, and Section 203 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The details of remuneration paid and perquisites given to Managing Director and Executive Director for services rendered by them to the Company during the Financial Year 2019-20:

#### Lokendra Rajput

| Particulars  | Remuneration                                                                                                                                                                                                                                                                                                                                           |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic Salary | ₹2,00,000 p.m.                                                                                                                                                                                                                                                                                                                                         |
| Designation  | Chairman and the Managing Director                                                                                                                                                                                                                                                                                                                     |
| Term         | For a period of 5 years effecting from January 25, 2021                                                                                                                                                                                                                                                                                                |
| Perquisites  | a) Dearness Allowance, Bonus and Gratuity as per accounting policy and determination of the Board;<br>b) Provident Fund;<br>c) Benefits, perquisites and allowances;<br>d) Provision of Car alongwith driver for official purpose and such driver's remuneration/ expenses as fixed/ approved by the Board shall be reimbursed to him, if not provided |

| Particulars                                  | Remuneration                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | with Company's driver;<br>e) Free usage of company's mobile phone and telephone at his residence;<br>f) Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 3 years;<br>g) Actual leave travel expenses in accordance with the rules laid down by the Company, excluding hotel and food charges in a year to any place in India, including self and family; |
| Remuneration paid for Financial Year 2019-20 | ₹18,00,000.00                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

### Rashmi Rajput

| Particulars                                  | Remuneration                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic Salary                                 | ₹20,000 p.m.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Designation                                  | Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Term                                         | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Perquisites                                  | a) Dearness Allowance, Bonus and Gratuity as per accounting policy and determination of the Board;<br>b) Provident Fund;<br>c) Benefits, perquisites and allowances;<br>d) Provision of Car alongwith driver for official purpose and such driver's remuneration/ expenses as fixed/ approved by the Board shall be reimbursed to him, if not provided with Company's driver;<br>e) Free usage of company's mobile phone and telephone at his residence;<br>f) Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 3 years;<br>Actual leave travel expenses in accordance with the rules laid down by the Company, excluding hotel and food charges in a year to any place in India, including self and family; |
| Remuneration paid for Financial Year 2019-20 | ₹2,40,000.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

### Sitting Fees or benefit to Non-Executive Directors of our Company

Apart from the remuneration of our Managing/ Whole-time Directors and Executive Director as provided under the heading '*Remuneration to Managing/ Whole-time Directors*' above, our Non-Executive Directors and Independent Directors are entitled to be paid sitting fees up to the limits prescribed by the Companies Act. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Act and any other applicable Indian laws and regulations.

All our Independent Directors were appointed after the end of the Financial Year 2019-2020, and hence no sitting fee or commission for the Financial Year 2019-2020 is paid to them.

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of filing of this Draft Prospectus, except the following, none of our Directors holds any Equity Shares of our Company:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of Pre-Issue Capital (%) | Percentage of Post-Issue Capital (%) |
|---------|-------------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.      | Lokendra Rajput         | 11,34,414            | 37.81%                              | [●]                                  |
| 2.      | Rashmi Rajput           | 12,29,154            | 40.97%                              | [●]                                  |
| 3.      | Pushpa Rajput           | 6,36,392             | 21.21%                              | [●]                                  |
|         | <b>Total</b>            | <b>29,99,960</b>     | <b>99.99%</b>                       | [●]                                  |

### Borrowing Powers of the Board

Our Articles of Association, subject to the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, authorizes our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company.

The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on February 03, 2021, in accordance with the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, have authorized our Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹10,000 Lakhs.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled '*Description of Equity Shares and Terms of Articles of Association*' beginning on page 301 of this Draft Prospectus.

#### **Bonus or profit sharing plan for the Directors**

Our Company does not have any bonus or profit sharing plan for our Directors.

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

No Director has received or is entitled to any contingent or deferred compensation as on the date of filing this Draft Prospectus. Further, there is no contingent or deferred compensation accrued for the year, which is payable to our Directors as on the date of filing this Draft Prospectus.

#### **INTERESTS OF OUR DIRECTORS**

Our Directors may be deemed interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration paid to them or services rendered as a Director of our Company and reimbursement of expenses payable to them. For further details, please refer to sub-sections '*Compensation and remuneration to Managing/ Whole-time and Executive Directors*' and '*Sitting Fees or benefit to Non-Executive Directors of our Company*' above.

Further, except as disclosed under sub-section '*Shareholding of Directors in our Company*' above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue.

Our Directors may also be deemed interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in this Draft Prospectus, no sum has been paid or agreed to be paid to any of our Directors or to any firm or company in which Director is a partner or member, in cash or shares or otherwise by any person either to induce such Director to become, or to qualify as, a director, or otherwise for services rendered by such Director or by such firm or company in connection with the promotion or formation of our Company.

#### **Interest in promotion of our Company**

Our Promoter Directors are interested in our Company to the extent that of promotion our Company, and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. As of the date of this Draft Prospectus, our Promoters hold an aggregate of 29,99,960 Equity Shares, aggregating to 99.99% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

For details of Equity Shares held by our Promoter, please refer to paragraph titled ‘*Notes to Capital Structure*’ under the section titled ‘*Capital Structure*’ beginning on page 67 of this Draft Prospectus.

Further, except as stated in this section titled ‘*Our Management*’ and the section titled ‘*Financial Statement - Annexure 22 – Restated Summary of Related Party Transactions*’ beginning on page 159 and 200 of this Draft Prospectus respectively and to the extent to remuneration received/ to be received by our Directors, none of our Directors any interest in the promotion of our Company.

### **Interest in property, land, construction of building, supply of machinery**

We do not own the registered office from which we operate. Our Registered Office is in the name of the Promoter, Pushpa Rajput. Our Promoter has permitted us to use as our Registered Office for consideration of ₹25.00 per square feet.

Except as stated above, our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of filing this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements except as stated in ‘*Restated Financial Statements*’ on page 182 of this Draft Prospectus.

### **Interest as Guarantor**

Our Promoter Directors of our Company, namely being, Lokendra Rajput, Pushpa Rajput, and Rashmi Rajput, have extended personal guarantees and collateral securities in favour of Bank of Baroda and Axis Bank in relation to the borrowing facilities availed by our Company. In the event any such guarantees are revoked, our lenders may require us to furnish alternate guarantees, demand repayment of the amounts outstanding under the respective facilities or even terminate such facilities.

### **Interest as Director of our Company**

Lokendra Rajput and Rashmi Rajput, are also interested in our Company as the Chairman and the Managing Director; and Executive Director respectively. The remuneration is payable to them in this regard.

Further, our other Promoter, Pushpa Rajput is the Non-Executive Director of our Company and may be deemed to be interested to the extent fees, if any, payable for attending meetings of the Board or a Committee thereof as well as to the extent of commission and reimbursement of expenses payable for services rendered to our Company in accordance with the provisions of the Companies Act, 2013, terms of the Articles of Association and her terms of appointment. For further details, see ‘*Our Management*’ beginning on page 159 of this Draft Prospectus.

### **Changes in our Company’s Board of Directors during the last three (3) years**

| <b>Name</b>     | <b>Designation</b>     | <b>Date of Appointment/<br/>change in designation/<br/>cessation</b> | <b>Reason</b>                                                           |
|-----------------|------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------|
| Pushpa Rajput   | Non-Executive Director | April 20, 2018                                                       | Appointment as Non-Executive Director                                   |
| Lokendra Rajput | Director               | February 15, 2019                                                    | Resignation as Director                                                 |
| Lokendra Rajput | Director               | May 25, 2019                                                         | Appointed as an Executive Director                                      |
| Lokendra Rajput | Managing Director      | January 25, 2021                                                     | Regularization and change in designation as a Managing Director         |
| Rashmi Rajput   | Executive Director     | January 25, 2021                                                     | Change in designation from Non-Executive Director to Executive Director |
| Mithun Bhatt    | Independent Director   | February 03, 2021                                                    | Appointed as an Independent Director                                    |
| Avinash Khare   | Independent Director   | February 03, 2021                                                    | Appointed as an Independent Director                                    |

### **Arrangements or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

### Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

### Common directorships of the Directors in companies whose shares are/were suspended from trading on the stock exchange(s) for a period beginning from five (5) years prior to the date of this Draft Prospectus

None of the Directors is/ are directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

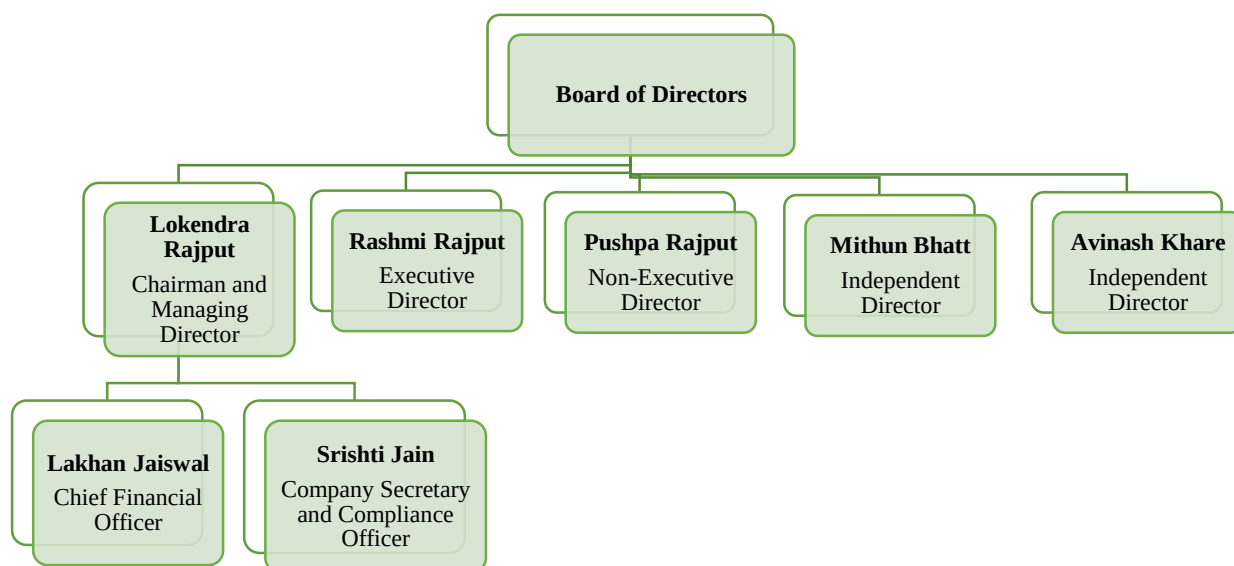
### Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of the Directors is/ are directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors is/ are directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

## MANAGEMENT ORGANIZATIONAL STRUCTURE

The following chart depicts our Management Organization Structure:



## COMPLIANCE WITH CORPORATE GOVERNANCE

Applicable provision of the Companies Act, 2013 with respect to corporate governance and the provisions of the SEBI (LODR) Regulations, as amended from time to time, will be applicable to our Company upon the listing of the Equity Shares with the Stock Exchanges in India.

Our Company complies with the corporate governance code in accordance with Companies Act, 2013, and SEBI (LODR) Regulations, as amended from time to time, particularly those relating to composition of Board of Directors and constitution of committees thereof. The corporate governance framework is based on an effective independent

Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas. Further, our Company is not required to constitute a corporate social responsibility committee in terms of the provisions of Section 135 of the Companies Act, 2013.

### **Composition of our Board**

Currently, the Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in accordance with Companies Act, 2013 and SEBI (LODR) Regulations. As on the date of this Draft Prospectus, our Board comprises of five (5) Directors, including 2 (Two) Executive Directors and 3 (Three) Non-Executive Directors.

Our Company has constituted the following committees of the Board in terms of SEBI (LODR) Regulations and the Companies Act, 2013:

#### **1. Audit Committee**

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on February 08, 2021 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended).

The constituted Audit Committee comprises following members:

| <b>Name of the Director</b> | <b>Status in Committee</b> | <b>Nature of Directorship</b>          |
|-----------------------------|----------------------------|----------------------------------------|
| Mithun Bhatt                | Chairman                   | Non-Executive and Independent Director |
| Avinash Khare               | Member                     | Non-Executive and Independent Director |
| Lokendra Rajput             | Member                     | Managing Director                      |

The Company Secretary and Compliance Officer of our Company shall act as a secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements.

The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure**

The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **B. Quorum and meetings of the Audit Committee**

The Audit Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Audit Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

#### **C. Role and Powers**

The role of Audit Committee together with its powers as Part C of Schedule II of SEBI (LODR) Regulations and Companies Act, 2013 shall be as under:

- (a) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;



- (c) Examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section (3) of Section 134 of the Act;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report
- (d) Examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (e) Approval or any subsequent modification of transactions of the Company with related parties
- (f) Scrutiny of inter-corporate loans and investments
- (g) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (h) Evaluation of internal financial controls and risk management systems;
- (i) Monitoring the end use of funds raised through public offers and related matters;
- (j) 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;
- (k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (l) 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;
- (m) Discussion with internal auditors of any significant findings and follow up thereon;
- (n) 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;
- (o) 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;
- (p) 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;
- (q) Approval of appointment of Chief Financial Officer (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;
- (r) Reviewing the Management discussion and analysis of financial condition and results of operations;

- (s) Reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (t) Reviewing the Internal audit reports relating to internal control weaknesses;
- (u) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (v) Reviewing the functioning of the Whistle Blower mechanism;
- (w) Reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
- (x) Establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:
- (y) Such other functions/ activities as may be assigned/ delegated from time to time by the Board of Directors of the Company and/ or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI (LODR) Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated February 08, 2021.

The constituted Stakeholders Relationship Committee comprises of the following members:

| Name of the Director | Status in Committee | Nature of Directorship                 |
|----------------------|---------------------|----------------------------------------|
| Avinash Khare        | Chairperson         | Non-Executive and Independent Director |
| Mithun Bhatt         | Member              | Non-Executive and Independent Director |
| Pushpa Rajput        | Member              | Non-Executive Director                 |

The Company Secretary and Compliance Officer of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

### A. Tenure

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

### B. Quorum and meetings of the Stakeholders Relationship Committee

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Stakeholder Relationship Committee shall meet at least at least one time in a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. Since the formation of the Stakeholders Relationship Committee, no Stakeholders Relationship Committee meetings have taken place.

### C. Terms of Reference

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- a) Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- b) Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with SEBI (LODR) Regulations.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated February 08, 2021. The Nomination and Remuneration Committee comprises of the following members:

| Name of the Director | Status in Committee | Nature of Directorship                 |
|----------------------|---------------------|----------------------------------------|
| Mithun Bhatt         | Chairman            | Non-Executive and Independent Director |
| Avinash Khare        | Member              | Non-Executive and Independent Director |
| Pushpa Rajput        | Member              | Non-Executive Director                 |

The Company Secretary and Compliance Officer of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### B. Quorum and meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the Nomination and Remuneration Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

#### C. Terms of Reference:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- (e) Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package;
- (f) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- (g) Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- (h) Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

## **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of the Sub-Regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, as amended, will be applicable to our Company immediately upon the listing of Equity Shares. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. Further, Board of Directors at their meeting held on February 08, 2021, has approved and adopted the policy on insider trading in view of the proposed public issue.

The Company Secretary and Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

## **POLICY FOR DETERMINATION OF MATERIALITY AND MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (LODR) Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. The Board of Directors at their meeting held on February 08, 2021 has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

## **KEY MANAGERIAL PERSONNEL**

### **Profile of Key Managerial Personnel**

The details of the Key Managerial Personnel as on the date of this Draft Prospectus are set out below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

**Lokendra Rajput**, aged 43 years, has been director on the Board since incorporation and has re-appointed as Chairman and Managing Director w.e.f. January 25, 2021. He has completed his graduation in Bachelor of Science (Agriculture) from Jawaharlal Nehru Krishi Vishwa Vidyalaya College of Agriculture, Gwalior, Madhya Pradesh; and has completed his master's in Business Administration (Marketing) from Devi Ahilya Vishwavidyalaya, Indore and pursued export, import diploma in agriculture. He has more than 15 years of experience in agriculture and seed processing. Under his dynamic leadership, our Company has received the award of '*Fastest Growing Indian Company Excellence Award*' by Indian Economic Development & Research Association, and '*Outstanding Achievement Award for Business Excellence*' on 10<sup>th</sup> International Achievers Summit on '*Global Corporate Achievements and Social Responsibilities*' for his entrepreneurship. Further, he has been associated with the Company as a Promoter. He is responsible for the marketing and overall working of the Company and is instrumental in making strategic decisions for the Company.

**Lakhan Jaiswal**, aged 39 years, was appointed as the Chief Financial Officer of our Company on January 25, 2021. He holds Master's degree in commerce from Madhav College of Vikram University, Ujjain. He has also completed his Bachelors' in Law Madhav College of Vikram University, Ujjain. He has more than 15 years of experience in the field of Accounts and Taxation. He is associated with our company since November 2018. Prior to joining our Company, he had been associated with Seth Agro Industries as Finance and Accounts Manager; and Khandelwal Industries & Export as Senior Accountant.

**Srishti Jain**, aged 25 years, was appointed as the Company Secretary and Compliance Officer of our Company on January 25, 2021. She is an associate member of Institute of Company Secretaries of India; and holds a Masters' Degree in Commerce from Devi Ahilya Vishwavidyalaya, Indore. She has more than 2 years of experience in all secretarial functions of the Company including liaison with institutions like registrar of companies, financial institutions, and other bodies with whom the Company has administrative dealings.

### Status of Key Management Personnel in our Company

All our Key Managerial Personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 70 years of age.

### Shareholding of Key Management Personnel in our Company

The details of the shareholding of our Key Managerial Personnel as on the date of this Draft Prospectus are as follows:

| Sr. No. | Name of the Key Managerial Personnel | Designation                              | No. of Equity Shares | Percentage of Pre-Issue Capital (%) | Percentage of Post-Issue Capital (%) |
|---------|--------------------------------------|------------------------------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.      | Lokendra Rajput                      | Managing Director                        | 11,34,414            | 37.81                               | [●]                                  |
| 2.      | Lakhan Jaiswal                       | Chief Financial Officer                  | 10                   | Negligible                          | [●]                                  |
| 3.      | Srishti Jain                         | Company Secretary and Compliance Officer | --                   | --                                  | --                                   |
|         | <b>Total</b>                         |                                          | <b>11,34,414</b>     | <b>37.81</b>                        | <b>[●]</b>                           |

### Interests of Key Management Personnel

The Key Management Personnel 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 be deemed interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Key Management Personnel may be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

### Payment of Benefits to Officers of Our Company (non-salary related)

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia rewards.

Except statutory benefits upon termination of 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. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled '**Financial Information**' beginning on page 182 of this Draft Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

### Remuneration/ Compensation paid to our Key Managerial Personnel

Except as mentioned below, no other current Key Managerial Personnel have received remuneration/ compensation during the Financial Year 2019-2020, Financial Year 2018-2019, Financial Year 2017-2018 and September 30, 2020:

*Amount in (₹ in Lakhs)*

| Sr. No. | Name of Key Managerial Personnel | Designation                    | Period ended September 30, 2020 | Financial Year |           |           |
|---------|----------------------------------|--------------------------------|---------------------------------|----------------|-----------|-----------|
|         |                                  |                                |                                 | 2019-2020      | 2018-2019 | 2017-2018 |
| 1.      | Lokendra Rajput                  | Chairman and Managing Director | 10,20,000.00                    | 18,00,000.00   | --        | --        |
| 2.      | Lakhan Jaiswal                   | Chief Financial Officer        | --                              | --             | --        | --        |

| Sr. No. | Name of Key Managerial Personnel | Designation                              | Period ended September 30, 2020 | Financial Year |           |           |
|---------|----------------------------------|------------------------------------------|---------------------------------|----------------|-----------|-----------|
|         |                                  |                                          |                                 | 2019-2020      | 2018-2019 | 2017-2018 |
| 3.      | Srishti Jain                     | Company Secretary and Compliance Officer | --                              | --             | --        | --        |

#### **Relationship amongst the Key Managerial Personnel of our Company**

None of the Key Managerial Personnel is related to each other.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel was selected as a key managerial personnel**

None of the above Key Managerial Personnel has been selected pursuant to any major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel was selected as a key managerial personnel.

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

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

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

Our Company does not have any bonus and/ or profit sharing plan for the Key Managerial Personnel. However, our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

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

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

#### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

#### **Loans availed by Directors/ Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

#### **Changes in Our Company's Key Managerial Personnel during the last three (3) years**

| Name            | Designation                              | Date of Change   | Reason                |
|-----------------|------------------------------------------|------------------|-----------------------|
| Lokendra Rajput | Managing Director                        | January 25, 2021 | Change in designation |
| Lakhan Jaiswal  | Chief Financial Officer                  | January 25, 2021 | Appointment           |
| Srishti Jain    | Company Secretary and Compliance Officer | January 25, 2021 | Appointment           |

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

Our Promoters are Lokendra Rajput, Rashmi Rajput, and Pushpa Rajput. As on date of this Draft Prospectus, our Promoters hold an aggregate of 29,99,960 Equity Shares, aggregating to 99.99% of the pre- issued, subscribed and paid-up Equity Share capital of our Company. For further details, please refer to the '*Capital Structure*' beginning on page 67 of this Draft Prospectus.

#### Details of Individual Promoters of our Company

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>Lokendra Rajput</b>, aged 43 years, has been director on the Board since incorporation and has re-appointed as Chairman and Managing Director w.e.f. January 25, 2021. He has completed his graduation in Bachelor of Science (Agriculture) from Jawaharlal Nehru Krishi Vishwa Vidyalaya College of Agriculture, Gwalior, Madhya Pradesh; and has completed his master's in Business Administration (Marketing) from Devi Ahilya Vishwavidyalaya, Indore and pursued export, import diploma in agriculture. He has more than 15 years of experience in agriculture and seed processing. Under his dynamic leadership, our Company has received the award of '<i>Fastest Growing Indian Company Excellence Award</i>' by Indian Economic Development &amp; Research Association, and '<i>Outstanding Achievement Award for Business Excellence</i>' on 10<sup>th</sup> International Achievers Summit on '<i>Global Corporate Achievements and Social Responsibilities</i>' for his entrepreneurship. Further, he has been associated with the Company as a Promoter. He is responsible for the marketing and overall working of the Company and is instrumental in making strategic decisions for the Company.</p> <p>For further details, please refer to section titled '<i>Our Management</i>' beginning on page 159 of this Draft Prospectus.</p> <p><i>Permanent Account Number:</i> AGWPR3681A</p> <p><i>Date of Birth:</i> October 01, 1977</p> <p><i>Residential Address:</i> A-9/14, Basant Vihar, Indore Road, Ujjain, Madhya Pradesh 456 010, India.</p> <p><i>Aadhar Number:</i> 6317 4187 6439</p> <p><i>Voter's Identification Number:</i> YHG1339449</p> <p><i>Passport Number:</i> L6992186</p> <p><i>Driving License Number:</i> MP13N-2014-0266866</p> <p><i>Name of Bank:</i> Punjab National Bank</p> <p><i>Bank Account Number:</i> 0459000100300897</p> <p><i>Position/posts held in the past:</i> Nil</p> <p><i>Directorship held in Other Companies:</i> Nil</p> <p><i>Other Ventures:</i> Nil</p> |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



**Rashmi Rajput**, aged 44 years, is the Executive Director of our Company and is associated with our Company since incorporation. She holds a Bachelor degree in Science, Part – III from Jiwaji University, Gwalior and has completed her masters in Science in Library and Information Science from Government Maharani Laxmibai Arts and Commerce Autonomous College, Gwalior, Madhya Pradesh. She is one of the most versatile woman entrepreneur and has taken the company to its height by achieving ‘*Women Entrepreneur Excellence Award*’ on the Occasion of 10<sup>th</sup> International Achiever Summit held at Bangkok. She is associated with the Company since its inception as a Promoter. She has more than 10 years of experience in agriculture and seed processing.

For further details, please refer to section titled ‘***Our Management***’ beginning on page 159 of this Draft Prospectus.

*Permanent Account Number:* AIVPR5412N

*Date of Birth:* March 31, 1976

*Residential Address:* A-9/14, Basant Vihar Colony, Ujjain, Madhya Pradesh 456 010, India

*Aadhar Number:* 2406 8910 0291

*Voter’s Identification Number:* YHG1339431

*Passport Number:* L6992188

*Driving License Number:* Not Available

*Name of Bank:* Punjab National Bank

*Bank Account Number:* 0459000100300888

*Position/posts held in the past:* Nil

*Directorship held in Other Companies:* Nil

*Other Ventures:* Nil



|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>Pushpa Rajput</b>, aged 62 years, is the Non-Executive Director of our Company w.e.f April 20, 2018. She is an undergraduate. She is also a Promoter of our Company. She has 10 years of experience in agriculture and seed processing.</p> <p>For further details, please refer to section titled '<b>Our Management</b>' beginning on page 159 of this Draft Prospectus.</p> <p><i>Permanent Account Number:</i> ALIPR9352B</p> <p><i>Date of Birth:</i> December 01, 1958</p> <p><i>Residential Address:</i> Purani Housing Board Colony, Morena, Madhya Pradesh 476 001, India</p> <p><i>Aadhar Number:</i> 6199 8986 5769</p> <p><i>Voter's Identification Number:</i> JGX1035682</p> <p><i>Passport Number:</i> Not Available</p> <p><i>Driving License Number:</i> Not Available</p> <p><i>Name of Bank:</i> Punjab National Bank</p> <p><i>Bank Account Number:</i> 0459000100249718</p> <p><i>Position/posts held in the past:</i> Nil</p> <p><i>Directorship held in Other Companies:</i> Nil</p> <p><i>Other Ventures:</i> Nil</p> |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*We confirm that the Permanent Account Number, Bank Account Number(s) and Passport Number of our Promoters have been submitted to the Stock Exchange at the time of filing of this Draft Prospectus.*

Further, our Promoters, members of our Promoter Group, and relatives of our Promoters have confirmed that they have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Promoters nor members of our Promoter Group or any persons in control have been debarred or restricted from accessing the capital markets for any reason, by SEBI or any other authorities. Our Promoters are not, nor have been promoter, director or person in control of any company, which is debarred or restricted from accessing the capital markets for any reason, by SEBI or any other authorities.

## **CHANGE IN MANAGEMENT AND CONTROL OF THE COMPANY**

There has been no change in the control or management of our Company since its incorporation.

## **INTERESTS OF OUR PROMOTERS**

### **Interest in the promotion of the Company**

Our Promoter Directors are interested in our Company to the extent that of promotion our Company, and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. As of the date of this Draft Prospectus, our Promoters hold an aggregate of 29,99,960 Equity Shares, aggregating to 99.99% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

For details of Equity Shares held by our Promoters, please refer to paragraph titled '*Notes to Capital Structure*' under the section titled '*Capital Structure*' beginning on page 67 of this Draft Prospectus.

Further, except as stated in this section titled '*Our Management*' and the section titled '*Financial Statement - Annexure 22 – Restated Summary of Related Party Transactions*' beginning on page 159 and 200 of this Draft Prospectus respectively and to the extent to remuneration received/ to be received by our Directors, none of our Directors any interest in the promotion of our Company.

### **Interest in property, land, construction of building, supply of machinery**

We do not own the registered office from which we operate. Our Registered Office is in the name of the Promoter Pushpa Rajput. Our Promoter has permitted us to use as our Registered Office for consideration of ₹25.00 per square feet.

Except as stated above, Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of filing this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements except as stated in '*Restated Financial Statements*' on page 182 of this Draft Prospectus.

### **Interest as Guarantor**

Our Promoter Directors of our Company, namely being, Lokendra Rajput, Pushpa Rajput, and Rashmi Rajput, have extended personal guarantees and collateral securities in favour of Bank of Baroda and Axis Bank in relation to the borrowing facilities availed by our Company. In the event any such guarantees are revoked, our lenders may require us to furnish alternate guarantees, demand repayment of the amounts outstanding under the respective facilities or even terminate such facilities.

### **Interest as a director**

Lokendra Rajput and Rashmi Rajput, are also interested in our Company as the Chairman and the Managing Director and Executive Director, respectively. The remuneration is payable to them in this regard.

Further, our other Promoter Pushpa Rajput is the Non-Executive Director of our Company and may be deemed to be interested to the extent fees, if any, payable to her for attending meetings of the Board or a Committee thereof as well as to the extent of commission and reimbursement of expenses payable to her for services rendered to our Company in accordance with the provisions of the Companies Act, 2013, terms of the Articles of Association and her terms of appointment. For further details, see '*Our Management*' beginning on page 159 of this Draft Prospectus.

### **Interest of Promoters in Intellectual Property**

Our Promoters are not interested in any entity, which holds any intellectual property rights that are used by our Company.

### **Interest in Other ventures of our Promoters**

Our Promoters are not involved with any other ventures, except as disclosed in this Draft Prospectus. Further, our Promoters are not involved in any venture that is in the same line of activity or business as that of our Company.

### **Business Interests**

Except as disclosed in this Draft Prospectus, the Promoters are interested as a member of a firm or company, but no sum has been paid or agreed to be paid to the Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

For further details in relation to the same, please refer to the section titled '**Financial Information**', beginning on page 182 of this Draft Prospectus.

### **Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years**

Except as stated in '**Financial Information**' beginning on page 182 of this Draft Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group since the incorporation of the Company

### **Material Guarantees given to Third Parties**

As on the date of this Draft Prospectus, none of our Promoters have given material guarantees to the third party (ies) with respect to the Equity Shares of our Company.

### **Our Promoter Group**

In addition to our Promoters named hereinabove, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(pp) (ii) of SEBI (ICDR) Regulations:

| <b>Name of our Promoter</b> | <b>Name of the Relatives</b> | <b>Relationship with the Relative</b> |
|-----------------------------|------------------------------|---------------------------------------|
| Lokendra Rajput             | Father                       | Hari Singh Rajput                     |
|                             | Mother                       | Pushpa Rajput                         |
|                             | Spouse                       | Rashmi Rajput                         |
|                             | Brother(s)                   | Gajendra Singh Rajput                 |
|                             |                              | Bhupendra Singh Rajput                |
|                             | Sister                       | Nil                                   |
|                             | Son                          | Samar Pratap Singh Rajput             |
|                             | Daughter                     | Tanushka Singh Rajput                 |
|                             | Spouse's Father              | Gajendra Yadav                        |
|                             | Spouse's Mother              | Maya Devi Yadav                       |
|                             | Spouse's Brother             | Aakash Singh                          |
|                             | Spouse's Sister(s)           | Kirti Rajput                          |
|                             |                              | Pratibha Rajput                       |
|                             |                              | Manisha Rajput                        |
| Rashmi Rajput               | Father                       | Late Gajendra Yadav                   |
|                             | Mother                       | Maya Devi Yadav                       |
|                             | Spouse                       | Lokendra Rajput                       |
|                             | Brother                      | Aakash Singh                          |
|                             | Sister(s)                    | Kirti Rajput                          |
|                             |                              | Pratibha Rajput                       |
|                             |                              | Manisha Rajput                        |
|                             | Son                          | Samar Pratap Rajput                   |
|                             | Daughter                     | Tanushka Singh Rajput                 |
|                             | Spouse's Father              | Hari Singh Rajput                     |
|                             | Spouse's Mother              | Pushpa Rajput                         |
|                             | Spouse's Brother(s)          | Gajendra Singh Rajput                 |
|                             |                              | Dr. Bhupendra Singh Rajput            |
|                             | Spouse's Sister              | Nil                                   |
| Pushpa Rajput               | Father                       | Late Mr. Gulab Singh Rajput           |
|                             | Mother                       | Bhagoo Rajput                         |
|                             | Spouse                       | Hari Singh Rajput                     |
|                             | Brother(s)                   | Kuber                                 |
|                             |                              | Late Laxman                           |
|                             |                              | Late Raghunath                        |
|                             | Sister                       | Koshalya Rajput                       |
|                             | Son(s)                       | Lokendra Rajput                       |

| Name of our Promoter | Name of the Relatives | Relationship with the Relative |
|----------------------|-----------------------|--------------------------------|
|                      |                       | Gajendra Singh Rajput          |
|                      |                       | Dr. Bhupendra Singh Rajput     |
|                      | Daughter              | Nil                            |
|                      | Spouse's Father       | Late Ramkrishan Rajput         |
|                      | Spouse's Mother       | Late Occhi Bai                 |
|                      | Spouse's Brother(s)   | R.L. Rajput                    |
|                      |                       | Rajendra Singh                 |
|                      |                       | Nihal Singh Rajput             |
|                      | Spouse's Sister(s)    | Late Gandhi                    |
|                      |                       | Kamla                          |
|                      |                       | Kalavati                       |

Our Promoter Group as defined under Regulation 2(1)(pp)(iii) of the SEBI (ICDR) Regulations, includes following entities:

| Nature of Relationship                                                                                                                                                                                     | Lokendra Rajput | Rashmi Rajput | Pushpa Rajput |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|---------------|
| Anybody corporate in which Promoter or Immediate relative or a firm/ HUF in which core promoter or immediate relative is partner/ proprietor holds individually or collectively 20% shareholding and more. | Nil             | Nil           | Nil           |
| Anybody corporate in which a body corporate mentioned above holds 20% or more of the total shareholding.                                                                                                   | Nil             | Nil           | Nil           |
| Any HUF / Firm in which Core Promoter or Immediate relative holds individually or collectively 20% stake and more.                                                                                         | Nil             | Nil           | Nil           |

#### Companies with which the Promoters has disassociated in the last three years

Except, the resignation of Lokendra Rajput on February 15, 2019 from our Company and re-appointment on the Board of our Company on May 25, 2019, none of our Promoters have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Draft Prospectus. The information with respect to the same is tabulated as under:

| Name            | Designation | Date of Appointment/ change in designation/ cessation | Reason                                |
|-----------------|-------------|-------------------------------------------------------|---------------------------------------|
| Lokendra Rajput | Director    | February 15, 2019                                     | Resignation as Director               |
| Lokendra Rajput | Director    | May 25, 2019                                          | Re-Appointed as an Executive Director |

#### Experience of Promoters in the line of business

Our Promoters are well experienced in the Company's line of business. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

#### Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters, please refer to section titled '**Outstanding Litigations and Material Developments**' beginning on page 222 of this Draft Prospectus.

#### Other Confirmation

As on the date of this Draft Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against

our Promoters during the last five (5) years preceding the date of this Draft Prospectus, except as disclosed under chapter titled ***‘Outstanding Litigation and Material Developments’*** beginning on page 222 of this Draft Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulter nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

## **OUR GROUP COMPANIES**

As per the requirements of SEBI (ICDR) Regulations and the applicable accounting standards, being Accounting Standards 18 and Indian Accounting Standard 24, for the purpose of identification of 'Group Company' our Company has considered the Company with which it has had related party transactions, as disclosed in the Restated Financial Statements.

Pursuant to a resolution of our Board dated February 08, 2021, for the purpose of disclosure in offer documents for the Issue, a company shall be considered material and disclosed as a 'Group Company/Entity' if (i) Company/entities in which the investment in the form of equity or loan by our Company exceeds 10% of the net worth of our Company for the last audited financial year on consolidated basis; (ii) where our Company has entered into one or more transactions with such company/entity in the last audited financial year, cumulatively exceeding 10% of the total revenue of our Company for the last audited financial year on consolidated basis; and (iii) any other company/entity which the Board may decide to consider material.

Based on the above, the no companies are considered as our Group Company.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. However, Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the —record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

Our Company has not declared and/or paid any dividend on Equity Shares since its incorporation.

## SECTION IX – FINANCIAL INFORMATION

---

### RESTATED FINANCIAL STATEMENTS

#### INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION OF "VARDAN BIOTECH LIMITED"

To,  
**The Board of Directors,**  
Vardan Biotech Limited  
C-2/1 Mahananda Nagar  
Dewas Road Ujjain  
Madhya Pradesh  
456010

1. We have examined the attached Restated Financial Information along with the significant accounting policies and related notes of M/s. Vardan Biotech Limited (the "Company"), comprising the Restated Statement of Assets and Liabilities as at 30<sup>th</sup> Sept 2020, March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Statement of Profit and Loss, the Restated Cash Flow Statement for the period / year ended 30<sup>th</sup> sept 2020, March 31, 2020, March 31, 2019 and March 31, 2018, the Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on February 10, 2021 for the purpose of inclusion in the Draft Prospectus ("DP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") on the SME Platform of NSE Limited prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DP /Prospectus to be filed with Securities and Exchange Board of India, NSE and Registrar of Companies, Gwalior in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors of the company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

- a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 12, 2020 in connection with the proposed IPO of equity shares of the Company;
- b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:



a. the Audited Financial Statements of the Company for the period ended on 30<sup>th</sup> Sept 2020, March 31, 2020, March 31, 2019 and March 31, 2018, prepared in accordance with Accounting Standard (Indian GAAP) which have been approved by the Board of Directors at their meeting held on February 5, 2020, December 07, 2020, September 18, 2019 and September 12, 2018.

5. We have audited the special purpose financial information of the company for the year ended March 31, 2020 prepared by the company in accordance with Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of getting its financial statements audited by an firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated Dec 07,2020 on these special purpose financial information to the Board of Directors who have approved these in their meeting held on Dec 07, 2020.

6. For the purpose of our examination, we have relied on:

a. Auditors’ reports issued by us dated Feb 09, 2021 and Dec 07 12, 2020 as at and for the period ended 30<sup>th</sup> Sept and March 31, 2020 and

b. auditor’s report issued by Company’s previous auditor dated September 18, 2019 and September 12, 2018 as at and for the year ended March 31, 2019 and March 31, 2018 respectively.

The audits for the financial years ended March 31, 2019 and March 31, 2018, were conducted by the Company’s previous auditors, Ankur Goyal & Company, (the “Previous Auditors”), and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the “2019, and 2018 Restated Financial Information”) examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2019 and 2018 Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the period ended Sept 30, 2020;

7. Based on our examination and according to the information and explanations given to us, we report that:

a. The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at 30<sup>th</sup> Sept , March 31, 2020, March 31, 2019 and March 31, 2018 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

b. The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the Company for the period ended Sept 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 is prepared by the Company and approved by the Board of Directors. These Restated Statement of profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

c. The “Restated Statement of Cash Flows” as set out in Annexure III to this report of the Company for the period ended Sept 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

d. The Restated Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports

issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Board of Directors for inclusion in the DP/ Prospectus to be filed with Securities and Exchange Board of India, NSE Limited and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

As Per Our Attached Report of Even Date

**For S.K.Khandelwal & Associates**

Chartered Accountants

Firm Registration No. 002305C

**Suresh Kumar Khandelwal**

Partner

Membership No. 71189

Indore

February 10, 2021

UDIN – 21071189AAAABD8956

**ANNEXURE – I : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

**(Rs In lakhs)**

| <b>Particulars</b>                 | <b>Annex No.</b> | <b>As at September 30, 2020</b> | <b>As at March 31, 2020</b> | <b>As at March 31, 2019</b> | <b>As at March 31, 2018</b> |
|------------------------------------|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |                  |                                 |                             |                             |                             |
| <b>1. Shareholders funds</b>       |                  |                                 |                             |                             |                             |
| (a) Share capital                  | 1                | 300.00                          | 133.00                      | 133.00                      | 61.00                       |
| (b) Reserves and surplus           | 2                | 163.65                          | 87.85                       | 48.48                       | 28.83                       |
| <b>2. Non-current liabilities</b>  |                  |                                 |                             |                             |                             |
| (a) Long-term borrowings           | 3                | 289.40                          | 77.00                       | 0.00                        | 0.00                        |
| (b) Deferred tax liabilities (Net) | 4                | 9.03                            | 5.42                        | 2.20                        | 1.80                        |
| <b>3. Current liabilities</b>      |                  |                                 |                             |                             |                             |
| (a) Short-term borrowings          | 5                | 913.94                          | 813.47                      | 105.83                      | 136.88                      |
| (b) Trade payables                 | 6                | 343.63                          | 78.81                       | 94.63                       | 72.58                       |
| (c) Short-term provisions          | 7                | 24.17                           | 2.01                        | 0.81                        | 6.22                        |
| (d) Other current liabilities      | 8                | 1423.41                         | 1377.56                     | 478.38                      | 6.79                        |
| <b>TOTAL</b>                       |                  | <b>3467.23</b>                  | <b>2575.12</b>              | <b>863.32</b>               | <b>314.10</b>               |
| <b>II. ASSETS</b>                  |                  |                                 |                             |                             |                             |
| <b>1. Non-current assets</b>       |                  |                                 |                             |                             |                             |
| (a) Property, Plant and Equipment  |                  |                                 |                             |                             |                             |
| Tangible Assets                    | 9                | 323.34                          | 216.40                      | 51.31                       | 55.07                       |
| Intangible Assets                  | 9                | 0.36                            | 0.41                        | 0.00                        | 0.00                        |
| (b) Long-term loans and advances   |                  | 1.57                            | 0.00                        | 0.00                        | 0.00                        |
| <b>2. Current assets</b>           |                  |                                 |                             |                             |                             |
| (a) Inventories                    | 10               | 1483.28                         | 1067.51                     | 576.49                      | 182.05                      |
| (b) Trade receivables              | 11               | 217.36                          | 143.63                      | 164.06                      | 68.35                       |
| (c) Cash & cash equivalents        | 12               | 302.81                          | 9.50                        | 4.20                        | 7.09                        |
| (d) Short term loan and advances   | 13               | 1086.46                         | 1113.09                     | 45.84                       | 0.34                        |
| (e) Other Current Assets           | 14               | 52.06                           | 24.57                       | 21.43                       | 1.21                        |
| <b>TOTAL</b>                       |                  | <b>3467.23</b>                  | <b>2575.12</b>              | <b>863.32</b>               | <b>314.10</b>               |

**ANNEXURE – II : RESTATED STATEMENT OF PROFIT AND LOSS**

**(Rs In lakhs)**

| Particulars                                                                    |    | Period ended<br>September 30,<br>2020 | Year Ended<br>March 31, 2020 | Year Ended<br>March 31,2019 | Year Ended<br>March 31,2018 |
|--------------------------------------------------------------------------------|----|---------------------------------------|------------------------------|-----------------------------|-----------------------------|
| I.Revenue from operations                                                      | 15 | 5325.04                               | 5056.05                      | 1999.83                     | 2313.04                     |
| II.Other income                                                                | 16 | 4.18                                  | 5.23                         | 0.44                        | 0.46                        |
| <b>III. Total Revenue (I + II)</b>                                             |    | <b>5329.23</b>                        | <b>5061.29</b>               | <b>2000.28</b>              | <b>2313.50</b>              |
| IV. Expenses:                                                                  |    |                                       |                              |                             |                             |
| Cost of Material Consumed                                                      |    | 4830.93                               | 4912.71                      | 1976.78                     | 1749.76                     |
| Changes in inventories of finished goods                                       | 17 | (415.77)                              | (491.02)                     | (394.44)                    | 160.95                      |
| Employee benefits expense                                                      | 18 | 66.07                                 | 90.14                        | 63.33                       | 61.99                       |
| Finance costs                                                                  | 19 | 51.44                                 | 48.14                        | 16.56                       | 20.27                       |
| Depreciation and amortization expense                                          |    | 5.83                                  | 3.40                         | 4.48                        | 4.53                        |
| Other expenses                                                                 | 20 | 688.21                                | 444.68                       | 306.86                      | 294.04                      |
| <b>Total expenses</b>                                                          |    | <b>5226.72</b>                        | <b>5008.06</b>               | <b>1973.57</b>              | <b>2291.54</b>              |
| <b>V. Profit before exceptional and</b>                                        |    | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| VI. Exceptional items                                                          |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| <b>VII. Profit before extraordinary items</b>                                  |    | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| VIII. Extraordinary Items-                                                     |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| <b>IX. Profit before tax (VII- VIII)</b>                                       |    | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| X. Tax expense:                                                                |    |                                       |                              |                             |                             |
| (1) Current tax                                                                |    | 23.10                                 | 10.59                        | 6.54                        | 5.69                        |
| (2) Deferred tax                                                               |    | 3.61                                  | 3.22                         | 0.40                        | (0.32)                      |
| (3) Interest on Income Tax                                                     |    | 0.00                                  | 0.05                         | 0.12                        | 0.49                        |
| <b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>  |    | 75.80                                 | 39.37                        | 19.65                       | 16.10                       |
| XII. Profit/(loss) from discontinuing                                          |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| XIII. Tax expense of discontinuing                                             |    | 0.00                                  | 0.00                         | 0.00                        | 0.00                        |
| <b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b> |    |                                       |                              |                             |                             |
| <b>XV. Profit (Loss) for the period (XI + XIV)</b>                             |    | <b>75.80</b>                          | <b>39.37</b>                 | <b>19.65</b>                | <b>16.10</b>                |
| XVI Earnings per equity share:                                                 |    |                                       |                              |                             |                             |
| (1) Basic                                                                      |    | 3.03                                  | 2.96                         | 1.53                        | 2.64                        |
| (2) Diluted                                                                    |    | 3.03                                  | 2.96                         | 1.53                        | 2.64                        |

**ANNEXURE – III: RESTATED STATEMENT OF CASH FLOWS**

**(Rs In lakhs)**

| Particulars                                                   |  | Period ended<br>September 30,<br>2020 | Year Ended<br>March 31, 2020 | Year Ended<br>March 31,2019 | Year Ended<br>March 31,2018 |
|---------------------------------------------------------------|--|---------------------------------------|------------------------------|-----------------------------|-----------------------------|
| <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>             |  |                                       |                              |                             |                             |
| Restated Net profit Before Tax and<br><b>Adjustments For:</b> |  | 102.51                                | 53.22                        | 26.71                       | 21.96                       |
| Depreciation                                                  |  | 5.83                                  | 3.40                         | 4.48                        | 4.53                        |
| Finance Cost                                                  |  | 51.44                                 | 48.14                        | 16.56                       | 20.27                       |
| <b>Operating Profit before working Capital</b>                |  | <b>159.78</b>                         | <b>104.77</b>                | <b>47.75</b>                | <b>46.76</b>                |
| <b>Adjustment For:</b>                                        |  |                                       |                              |                             |                             |
| Decrease/(Increase) in Inventories                            |  | (415.77)                              | (491.02)                     | (394.44)                    | 160.95                      |
| Decrease/(Increase) in Trade receivables                      |  | (73.73)                               | 20.43                        | (95.71)                     | 4.79                        |
| Decrease/(Increase) in short term loans & Advances            |  | 26.64                                 | (1067.25)                    | (45.50)                     | 0.19                        |
| Decrease/(Increase) in Other Current Assets                   |  | (27.48)                               | (3.15)                       | (20.22)                     | 0.35                        |
| Long term Deposits                                            |  | (1.57)                                | 0.00                         | 0.00                        | 0.00                        |
| (Decrease)/Increase in Short- term borrowings                 |  | 100.47                                | 707.64                       | (31.05)                     | (52.90)                     |
| (Decrease)/Increase in Trade Payables                         |  | 264.82                                | (15.82)                      | 22.04                       | (62.31)                     |
| (Decrease)/Increase in Other current liabilities              |  | 22.16                                 | 1.20                         | (5.41)                      | 4.97                        |
| (Decrease)/Increase in Short-term Provisions                  |  | 45.85                                 | 899.18                       | 471.59                      | 4.88                        |
| <b>Cash Generated from Operations</b>                         |  | <b>101.15</b>                         | <b>155.99</b>                | <b>(50.95)</b>              | <b>98.12</b>                |
| Taxes Paid                                                    |  | (23.10)                               | (10.63)                      | (6.66)                      | (6.18)                      |
| <b>Net Cash From /(Used In ) Operating Activities</b>         |  | <b>78.05</b>                          | <b>145.36</b>                | <b>(57.61)</b>              | <b>91.93</b>                |
| <b>Cash Flow From Investing Activities</b>                    |  |                                       |                              |                             |                             |
| (Purchase)/Sale Of Fixed Assets                               |  | (112.72)                              | (168.91)                     | (0.72)                      | (16.93)                     |
| Decrease/(Increase) in Non Current investments                |  | 0                                     | 0.00                         | 0.00                        | 0.00                        |
| <b>Net Cash From /(Used In ) Investing</b>                    |  | <b>(112.72)</b>                       | <b>(168.91)</b>              | <b>(0.72)</b>               | <b>(16.93)</b>              |
| <b>Cash Flow From Financing Activities</b>                    |  |                                       |                              |                             |                             |
| Proceeds from Issue of Shares                                 |  | 167.00                                | 0.00                         | 72.00                       | 0.00                        |
| Repayment of loans                                            |  | 0                                     | 0.00                         | 0.00                        | (57.20)                     |
| Proceeds from loans                                           |  | 212.40                                | 77.00                        | 0.00                        | 0.00                        |
| Interest and Finance Charges                                  |  | (51.44)                               | (48.14)                      | (16.56)                     | (20.27)                     |
| <b>Net Cash From Financing Activities (c)</b>                 |  | <b>327.96</b>                         | <b>28.86</b>                 | <b>55.44</b>                | <b>(77.47)</b>              |
| <b>Net Increase / (Decrease) in Cash</b>                      |  | <b>293.30</b>                         | <b>5.31</b>                  | <b>(2.89)</b>               | <b>(2.46)</b>               |
| <b>Cash and Cash equivalents at the beginning</b>             |  | <b>9.50</b>                           | <b>4.20</b>                  | <b>7.09</b>                 | <b>9.55</b>                 |
| <b>Cash and Cash equivalents at the end</b>                   |  | <b>302.81</b>                         | <b>9.50</b>                  | <b>4.20</b>                 | <b>7.09</b>                 |

**NOTE**

The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I, II, and IV (A) respectively.

## ANNEXURE IV

### ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

#### A. BACKGROUND

The Company was incorporated as “Vardan Biotech Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 2007 bearing CIN: U15495MP2007PTC020132 issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh. Subsequently, the Company was converted into a Public Limited Company pursuant to the special resolution passed by the shareholders at the Extra-Ordinary General Meeting of our Company held on January 02, 2021 and consequent upon conversion the name of our Company was changed to “Vardan Biotech Limited” vide a fresh certificate of incorporation dated January 15, 2021 bearing CIN: U15495MP2007PLC020132 issued by the Registrar of Companies, Gwalior.

#### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on September 30, 2020, March 31, 2020, March 31, 2019, and March 31, 2018 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period/year ended on September 30, 2020, March 31, 2020, March 31, 2019, and March 31, 2018 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Audited Financial Statements of the Company for the period/ year ended on September 30, 2020, March 31, 2020, March 31, 2019, and March 31, 2018.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

##### 2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

##### 3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

##### 4. DEPRECIATION

Depreciation on Property, Plant and Equipment have been provided on 'Straight Line Method' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013 except on Computers on which depreciation has been provided for on Written down value method.

##### 5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## 6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

## 7. INVENTORIES

i) Raw Material is valued at lower of Cost or net realizable value.

ii) Work in Progress and Finished Goods are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

iii) Packing Material is valued at cost.

## 8. REVENUE RECOGNITION

i) Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale.

ii) Interest income is recognized on time proportion basis.

iii) Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

## 9. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT Credit has been accounted based on the guidance note of ICAI.

## 10. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.
- d) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 11. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Split in face value of equity share of company has been considered as if it took place at the beginning of Restatement period.

#### 12. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### **C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARSS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies.

#### **D. NOTES ON THE RESTATED FINANCIALS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

#### **MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2018]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013, and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) of the Company is given in the Statement of adjustments in the Financial Statements (in Lakhs) Annexure IV A

#### **a) Provision of Income Tax (Current/Prior Period):**

During the period of Restatement, Income tax liability was recalculated as per the prevailing tax rates, accordingly the revised income tax provision has been charged to the Statement of Profit and



Loss account along with interest on delay payment of direct tax. Short/(Excess) provision has adjusted in respective year/period.

**b) Adjustment on account of Provision of Deferred Tax Assets:**

The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year/period ended at the rate of normal Tax rate applicable at the end of relevant year/period. Due to same deferred tax assets has been recognized in the financial statement of the respective year.

**c) Preliminary expenses written off:**

During the Restatement company has written off all such expenses which do not qualify asset recognition criteria as per AS 26, therefore during the restatement company has rectified the same by expensed out during the year in which the same are incurred.

**d) GST late fees**

During the Restatement company has written off all such expenses through profit and loss account which was adjusted against reserves and surplus.

**e) ESIC Demand**

During the Restatement company has written off all such demand through profit and loss account which was adjusted against reserves and surplus.

**ANNEXURE – IV (A) STATEMENT OF ADJUSTMENT IN THE RESTATED FINANCIAL STATEMENTS**

**(Rs In lakhs)**

| Particulars                                                             |  | Period ended<br>September 30,<br>2020 | Year Ended<br>March 31, 2020 | Year Ended<br>March 31,2019 | Year Ended<br>March 31,2018 |
|-------------------------------------------------------------------------|--|---------------------------------------|------------------------------|-----------------------------|-----------------------------|
| Net Profit / (loss) after tax as per audited statement of profit & Loss |  | 75.80                                 | 42.23                        | 26.62                       | 15.66                       |
| <b>Adjustment for</b>                                                   |  |                                       |                              |                             |                             |
| Preliminary Expenses                                                    |  | 0.00                                  | (1.08)                       | 0.00                        | 0.00                        |
| GST Late Fees                                                           |  | 0.00                                  | (1.65)                       | 0.00                        | 0.00                        |
| ESIC Demand                                                             |  | 0.00                                  | (1.30)                       | 0.00                        | 0.00                        |
| Provision for Deffered Tax                                              |  | 0.00                                  | 0.03                         | (0.81)                      | 0.94                        |
| Provision for Current Tax                                               |  | 0.00                                  | 1.06                         | (6.54)                      | 0.00                        |
| Interest On Tax                                                         |  | 0.00                                  | 0.07                         | 0.38                        | (0.49)                      |
| <b>Net profit /(loss) after tax as resated</b>                          |  | <b>75.80</b>                          | <b>39.37</b>                 | <b>19.65</b>                | <b>16.10</b>                |

**ANNEXURE -1.**

**RESTATED SUMMARY STATEMENT OF SHARE CAPITAL**

**(Rs In lakhs)**

| Particulars                                  |  | As at September,<br>2020 | As at March 31,<br>2020 | As at March<br>31,2019 | As at March 31,<br>2018 |
|----------------------------------------------|--|--------------------------|-------------------------|------------------------|-------------------------|
| <b>Authorised</b>                            |  |                          |                         |                        |                         |
| Equity Shares of Rs 10/- each                |  | 400.00                   | 151.00                  | 151.00                 | 61.00                   |
| <b>Total</b>                                 |  | <b>400.00</b>            | <b>151.00</b>           | <b>151.00</b>          | <b>61.00</b>            |
| Issued, Subscribed and Fully paid Up Capital |  | 300.00                   | 133.00                  | 133.00                 | 61.00                   |
| <b>Total</b>                                 |  | <b>300.00</b>            | <b>133.00</b>           | <b>133.00</b>          | <b>61.00</b>            |

**Notes-1.1**

- (i) The company has only one class of equity share having a par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. The company declares and pays dividend in indian rupees.
- (ii) All Equity Shareholders are eligible to receive dividends in proportion to their shareholdings.
- (iii) The dividends proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting.
- (iv) In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**Notes 1.2 Reconciliaation of Shares at the beginning and at the end of the year**

| Particulars                                                  |  | As at September,<br>2020 | As at March 31,<br>2020 | As at March<br>31,2019 | As at March 31,<br>2018 |
|--------------------------------------------------------------|--|--------------------------|-------------------------|------------------------|-------------------------|
| No of Equity Shares outstanding at the beginning of the year |  | 1330000.00               | 1330000.00              | 610000.00              | 610000.00               |
| Add: Right Shares issued                                     |  | 194186.00                | 0.00                    | 0.00                   | 0.00                    |
| Add: Bonus Shares issued                                     |  | 1475814.00               | 0.00                    | 0.00                   | 0.00                    |
| Add: Equity Shares Issued                                    |  | 0.00                     | 0.00                    | 720000.00              | 0.00                    |
| No of Equity Shares outstanding at the end of the year       |  | <b>3000000.00</b>        | <b>1330000.00</b>       | <b>1330000.00</b>      | <b>610000.00</b>        |

**Notes 1.3 Details of Shareholding more than 5% share in the company**

| Particulars           |  | As at September,<br>2020 | As at March 31,<br>2020  | As at March<br>31,2019   | As at March 31,<br>2018  |
|-----------------------|--|--------------------------|--------------------------|--------------------------|--------------------------|
|                       |  | <b>No of Shares    %</b> | <b>No of Shares    %</b> | <b>No of Shares    %</b> | <b>No of Shares    %</b> |
| Lokendra singh Rajput |  | 1134414    37.81%        | 505000    37.97%         | 505000    37.97%         | 305000    50%            |
| Smt Pushpa Rajput     |  | 1229154    40.97%        | 280000    21.05%         | 280000    21.05%         | 0.00    0.00             |
| Smt Rashmi Rajput     |  | 636432    21.22%         | 545000    40.98%         | 545000    40.98%         | 305000    50%            |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-2****RESTATED SUMMARY STATEMENT OF RESERVES AND SURPLUS****(Rs In Lakhs)**

| Particulars                                                             |  | As at September, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------------------------------------------|--|-----------------------|----------------------|----------------------|----------------------|
| <b>Profit &amp; Loss Account</b>                                        |  |                       |                      |                      |                      |
| Opening balance                                                         |  | 87.85                 | 48.48                | 28.83                | 12.72                |
| Add: Net Profit after tax transferred from Statement of Profit and Loss |  | 75.80                 | 39.37                | 19.65                | 16.10                |
| <b>Total</b>                                                            |  | <b>163.65</b>         | <b>87.85</b>         | <b>48.48</b>         | <b>28.83</b>         |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-3****RESTATED SUMMARY STATEMENT OF LONG TERM BORROWINGS****(Rs In Lakhs)**

| Particulars               |  | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------|--|--------------------------|----------------------|----------------------|----------------------|
| <b>A. Secured Loans</b>   |  |                          |                      |                      |                      |
| BOB Term Loan             |  | 139.40                   | 0.00                 | 0.00                 | 0.00                 |
| <b>Total(A)</b>           |  | <b>139.40</b>            | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
| <b>B. Unsecured Loans</b> |  |                          |                      |                      |                      |
| <b>From Directors</b>     |  |                          |                      |                      |                      |
| Pushpa Rajput             |  | 18.00                    | 18.00                | 0.00                 | 0.00                 |
| Rashmi Rajput             |  | 19.00                    | 19.00                | 0.00                 | 0.00                 |
| Lokendra Singh Rajput     |  | 113.00                   | 40.00                | 0.00                 | 0.00                 |
| <b>Total(B)</b>           |  | <b>150.00</b>            | <b>77.00</b>         | <b>0.00</b>          | <b>0.00</b>          |
| <b>Total (A+B)</b>        |  | <b>289.40</b>            | <b>77.00</b>         | <b>0.00</b>          | <b>0.00</b>          |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A) along with annexure 3.1

**ANNEXURE-4****RESTATED SUMMARY STATEMENT OF DEFFERED TAX LIABILITIES****(Rs In Lakhs)**

| Particulars             |  | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------|--|--------------------------|----------------------|----------------------|----------------------|
| Related to Fixed Assets |  | 9.03                     | 5.42                 | 2.20                 | 1.80                 |
| <b>Total</b>            |  | <b>9.03</b>              | <b>5.42</b>          | <b>2.20</b>          | <b>1.80</b>          |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-5****RESTATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS****(Rs In Lakhs)**

| Particulars                                   |  | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|-----------------------------------------------|--|--------------------------|----------------------|----------------------|----------------------|
| <b>A.Repayable On Demand</b>                  |  |                          |                      |                      |                      |
| From Bank                                     |  | 683.63                   | 0.00                 | 0.00                 | 0.00                 |
| From Bank Against pledge of warehouse Receipt |  | 230.31                   | 813.47               | 105.83               | 136.88               |
| <b>Total (A+B)</b>                            |  | <b>913.94</b>            | <b>813.47</b>        | <b>105.83</b>        | <b>136.88</b>        |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A) along with Annexure 3.1

## ANNECURE-6

## RESTATEd SUMMARY STATEMENT OF OF TRADE PAYABLES

(Rs In Lakhs)

| Particulars                |  | As at September<br>30, 2020 | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|----------------------------|--|-----------------------------|-------------------------|------------------------|------------------------|
| Trade Payables Due to      |  |                             |                         |                        |                        |
| Micro and Small enterprise |  | 103.09                      | 24.33                   | 50.23                  | 0.42                   |
| Others                     |  | 240.54                      | 54.47                   | 44.40                  | 72.17                  |
| <b>Total</b>               |  | <b>343.63</b>               | <b>78.81</b>            | <b>94.63</b>           | <b>72.58</b>           |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-3.1**
**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR BORROWINGS INCLUDING CURRENT MATURITIES**

| Name of Lender        | Nature of Borrowings         | Sanctioned Amount (In Lakhs) | Rate Of interest | Primary Security                                                  | Collateral Security | Repayment Schedule | Balance As on 30.09.2020 |
|-----------------------|------------------------------|------------------------------|------------------|-------------------------------------------------------------------|---------------------|--------------------|--------------------------|
| Bank Of Baroda        | Term Loan                    | 73.35                        | 10.65%           | Exclusive Charge by way of Mortgage on diverted Land and Building | Note-2              | EMI                | 65.33                    |
| Bank Of Baroda        | Term Loan                    | 101.65                       | 9.75%            | Exclusive Charge by way of Mortgage on diverted Land and Building | Note-2              | EMI                | 100.00                   |
| Bank Of Baroda        | Cash Credit                  | 700.00                       | 9.25%            | Hypothecation of Current assets including stock and book debt     | Note-2              | On Demand          | 683.63                   |
| Punjab National Bank  | Cash Credit                  | 550.00                       | 11.95%           | Hypothecation of Current assets including stock and book debt     | Note-1              | On Demand          | <b>NIL</b>               |
| Axis Bank             | Cash Credit                  | 400.00                       | 9.90%            | Hypothecation of Current assets including stock and book debt     | Note-2              | On Demand          | 230.31                   |
| Lokendra Singh Rajput | Unsecured Loan from Director | N.A                          | N.A.             | N.A.                                                              | Note-2              | On Demand          | 113.00                   |
| Rashmi Singh Rajput   | Unsecured Loan from Director | N.A                          | N.A.             | N.A.                                                              | Note-2              | On Demand          | 19.00                    |
| Pushpa Singh Rajput   | Unsecured Loan from Director | N.A                          | N.A.             | N.A.                                                              | Note-2              | On Demand          | 18.00                    |

Note:1.Cash Credit from Punjab national Bank have debit/zero balances as on the latest reporting period, Therefore, in the above statement it is shown as zero. 2 Collateral Security against credit facility from Bank of Baroda are as under.

- Land situated at survey no 386/1 village ghatiya P.H. No 26 tehsil Ghatiya District Ujjain (M.P.) owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- Residential house situated at A-9/14 MIG vasant vihar yojana Ujjain District Ujjain owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- Residential house situated at 887 HIG-II housing board colony Morena (MP) owned by Mrs. Pushpa Rajput wife of Mr. Hari Singh Rajput.
- Residential house situated at A-21/7 LIG vasant vihar yojana Ujjain District Ujjain owned by Mr. Lokendra Singh Rajput. (e)Residential house situated at C-2/1 MIG Mahananda Nagar yojana Ujjain owned by Mrs. Pushpa Rajput wife of Mr. Hari Singh Rajput.
- Warehouse situated at Survey no 261 Village Jethal P.H. No 21/42 Tehsil Ghatiya District Ujjain owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- Fixed assets and plant & Machinery enitre fixed assets appearing in the balance sheet of the company as on 31.03.2019 excluding Building
- insurance policies of directors having surender value of rs 56.48 Lakhs
- FDR of rs 36 lakhs in the name of Vardaan seeds and agritech and Mrs. Rashmi Rajput
- Liquied securities of rs 10 lakhs

**ANNEXURE-7****RESTATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS****(Rs In Lakhs)**

| Particulars              |  | As at September<br>30, 2020<br>In<br>Lakhs | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|--------------------------|--|--------------------------------------------|-------------------------|------------------------|------------------------|
| Provision for Income Tax |  | 22.26                                      | 0.00                    | 0.00                   | 6.18                   |
| EPF & ESIC Payable       |  | 1.06                                       | 0.79                    | 0.26                   | 0.00                   |
| TDS Payable              |  | 0.84                                       | 1.22                    | 0.55                   | 0.04                   |
| <b>Total</b>             |  | <b>24.17</b>                               | <b>2.01</b>             | <b>0.81</b>            | <b>6.22</b>            |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-8****RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES****(Rs In Lakhs)**

| Particulars                        |  |                | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|------------------------------------|--|----------------|-------------------------|------------------------|------------------------|
| Current Maturity of Long term Debt |  | 25.93          | 0.00                    | 0.00                   | 0.00                   |
| Dealership Deposits                |  | 17.75          | 12.85                   | 9.60                   | 5.25                   |
| GST Payable                        |  | 0.00           | (0.01)                  | (0.01)                 | 0.09                   |
| Salary Payable                     |  | 2.65           | 11.53                   | 0.00                   | 1.32                   |
| Audit Fees Payable                 |  | 0.24           | 0.20                    | 0.51                   | 0.14                   |
| Advance from Customers             |  | 1376.85        | 1353.00                 | 468.28                 | 0.00                   |
| <b>Total</b>                       |  | <b>1423.41</b> | <b>1377.56</b>          | <b>478.38</b>          | <b>6.79</b>            |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-9****RESTATED SUMMARY STATEMENT OF FIXED ASSETS****(Rs In Lakhs)**

| Particulars                               |  | As at September<br>30, 2020<br>In<br>Lakhs | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|-------------------------------------------|--|--------------------------------------------|-------------------------|------------------------|------------------------|
| <b>Tangible Assets</b>                    |  |                                            |                         |                        |                        |
| <b>Building</b>                           |  |                                            |                         |                        |                        |
| Gross Block at the Beginning of the Year  |  | 132.83                                     | 43.16                   | 43.16                  | 43.16                  |
| Addition During the Year                  |  | 41.82                                      | 89.68                   | 0.00                   | 0.00                   |
| Deletion During the Year                  |  | 0.00                                       | 0.00                    | 0.00                   | 0.00                   |
| Gross Block at the end of the Year        |  | 174.65                                     | 132.83                  | 43.16                  | 43.16                  |
| Less: Accumulated Depreciation            |  | 8.65                                       | 6.78                    | 6.00                   | 5.32                   |
| <b>Net Block</b>                          |  | <b>165.99</b>                              | <b>126.05</b>           | <b>37.15</b>           | <b>37.83</b>           |
| <b>Plant And Machinery</b>                |  |                                            |                         |                        |                        |
| Gross Block at the Beginning of the Year  |  | 95.49                                      | 18.62                   | 18.46                  | 2.36                   |
| Addition During the Year                  |  | 70.90                                      | 76.87                   | 0.16                   | 16.10                  |
| Deletion During the Year                  |  | 0.00                                       | 0.00                    | 0.00                   | 0.00                   |
| Gross Block at the end of the Year        |  | 166.39                                     | 95.49                   | 18.62                  | 18.46                  |
| Less: Accumulated Depreciation            |  | 11.58                                      | 8.12                    | 6.45                   | 3.51                   |
| <b>Net Block</b>                          |  | <b>154.81</b>                              | <b>87.37</b>            | <b>12.16</b>           | <b>14.95</b>           |
| <b>Office Equipments</b>                  |  |                                            |                         |                        |                        |
| Gross Block at the Beginning of the Year  |  | 1.82                                       | 0.36                    | 0.36                   | 0.36                   |
| Addition During the Year                  |  | 0.00                                       | 1.47                    | 0.00                   | 0.00                   |
| Deletion During the Year                  |  | 0.00                                       | 0.00                    | 0.00                   | 0.00                   |
| <b>Gross Block at the end of the Year</b> |  | <b>1.82</b>                                | <b>1.82</b>             | <b>0.36</b>            | <b>0.36</b>            |
| Less: Accumulated Depreciation            |  | 0.66                                       | 0.48                    | 0.25                   | 0.16                   |
| <b>Net Block</b>                          |  | <b>1.16</b>                                | <b>1.34</b>             | <b>0.11</b>            | <b>0.20</b>            |
| <b>Computer Equipments</b>                |  |                                            |                         |                        |                        |
| Gross Block at the Beginning of the Year  |  | 1.21                                       | 0.96                    | 0.41                   | 0.00                   |
| Addition During the Year                  |  | 0.00                                       | 0.25                    | 0.56                   | 0.41                   |
| Deletion During the Year                  |  | 0.00                                       | 0.00                    | 0.00                   | 0.00                   |

|                                           |  |               |               |              |              |
|-------------------------------------------|--|---------------|---------------|--------------|--------------|
| <b>Gross Block at the end of the Year</b> |  | <b>1.21</b>   | <b>1.21</b>   | <b>0.96</b>  | <b>0.41</b>  |
| Less: Accumulated Depreciation            |  | 0.94          | 0.82          | 0.50         | 0.24         |
| <b>Net Block</b>                          |  | <b>0.27</b>   | <b>0.40</b>   | <b>0.46</b>  | <b>0.17</b>  |
| <b>Furniture And Fixtures</b>             |  |               |               |              |              |
| Gross Block at the Beginning of the Year  |  | 3.25          | 3.12          | 3.12         | 3.05         |
| Addition During the Year                  |  | 0.00          | 0.13          | 0.00         | 0.07         |
| Deletion During the Year                  |  | 0.00          | 0.00          | 0.00         | 0.00         |
| <b>Gross Block at the end of the Year</b> |  | <b>3.25</b>   | <b>3.25</b>   | <b>3.12</b>  | <b>3.12</b>  |
| Less: Accumulated Depreciation            |  | 2.15          | 2.00          | 1.69         | 1.20         |
| <b>Net Block</b>                          |  | <b>1.10</b>   | <b>1.25</b>   | <b>1.42</b>  | <b>1.92</b>  |
| <b>Total Tangible Assets</b>              |  | <b>323.34</b> | <b>216.40</b> | <b>51.31</b> | <b>55.07</b> |
| <b>Intangible Assets</b>                  |  |               |               |              |              |
| <b>Software</b>                           |  |               |               |              |              |
| Gross Block at the Beginning of the Year  |  | 0.52          | 0.00          | 0.00         | 0.00         |
| Addition During the Year                  |  | 0.00          | 0.52          | 0.00         | 0.00         |
| Deletion During the Year                  |  | 0.00          | 0.00          | 0.00         | 0.00         |
| Gross Block at the end of the Year        |  | 0.52          | 0.52          | 0.00         | 0.00         |
| Less: Accumulated Depreciation            |  | 0.16          | 0.10          | 0.00         | 0.00         |
| <b>Total Intangible Assets</b>            |  | <b>0.36</b>   | <b>0.41</b>   | <b>0.00</b>  | <b>0.00</b>  |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-10**

**RESTATED SUMMARY OF INVENTORIES**

**(Rs In Lakhs)**

| Particulars    |  | As at September<br>30, 2020<br>Lakhs | In<br>As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|----------------|--|--------------------------------------|-------------------------------|------------------------|------------------------|
| Finished Goods |  | 1483.28                              | 1067.51                       | 576.49                 | 182.05                 |
| <b>Total</b>   |  | <b>1483.28</b>                       | <b>1067.51</b>                | <b>576.49</b>          | <b>182.05</b>          |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-11**

**RESTATED SUMMARY OF TRADE RECEIVABLES**

**(Rs In Lakhs)**

| Particulars                                   |  | As at September<br>30, 2020<br>Lakhs | In<br>As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|-----------------------------------------------|--|--------------------------------------|-------------------------------|------------------------|------------------------|
| <b><u>Unsecured &amp; Considered Good</u></b> |  |                                      |                               |                        |                        |
| Over Six Months                               |  | 26.48                                | 9.73                          | 146.63                 | 0.00                   |
| Less than Six Months                          |  | 190.88                               | 133.90                        | 17.43                  | 68.35                  |
| <b>Total</b>                                  |  | <b>217.36</b>                        | <b>143.63</b>                 | <b>164.06</b>          | <b>68.35</b>           |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-12**

**RESTATED SUMMARY OF CASH AND CASH EQUIVALENTS**

**(Rs In Lakhs)**

| Particulars         |  | As at September<br>30, 2020<br>Lakhs | In<br>As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|---------------------|--|--------------------------------------|-------------------------------|------------------------|------------------------|
| Balances with banks |  | 298.59                               | 0.96                          | 1.00                   | 0.24                   |
| Cash on hand        |  | 4.21                                 | 8.55                          | 3.20                   | 6.85                   |
| <b>Total</b>        |  | <b>302.81</b>                        | <b>9.50</b>                   | <b>4.20</b>            | <b>7.09</b>            |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE-13****RESTATED SUMMARY OF SHORT TERM LOANS & ADVANCES****(Rs In Lakhs)**

| Particulars                        |  | As at September<br>30, 2020<br>In<br>Lakhs | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|------------------------------------|--|--------------------------------------------|-------------------------|------------------------|------------------------|
| <b>(Unsecured Considered Good)</b> |  |                                            |                         |                        |                        |
| Advance to Suppliers               |  | 1016.85                                    | 1113.04                 | 45.79                  | 0.34                   |
| Advance to Marketing and research  |  | 69.61                                      | 0.00                    | 0.00                   | 0.00                   |
| Commercial Tax FDR                 |  | 0.00                                       | 0.05                    | 0.05                   | 0.00                   |
| <b>Total</b>                       |  | <b>1086.46</b>                             | <b>1113.09</b>          | <b>45.84</b>           | <b>0.34</b>            |

**Notes:**

(a) Advances Given to Suppliers have been taken as certified by the management of the company.

(b) No Securities have been taken by the company against the advances given to the suppliers

(c) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV &amp; IV(A)

**ANNEXURE 14****RESTATED SUMMARY OF OTHER CURRENT ASSETS****(Rs In Lakhs)**

| Particulars                    |  | As at September<br>30, 2020<br>In<br>Lakhs | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|--------------------------------|--|--------------------------------------------|-------------------------|------------------------|------------------------|
| Prepaid Expenses               |  | 3.40                                       | 0.00                    | 0.00                   | 0.00                   |
| TDS Recivable                  |  | 25.23                                      | 0.00                    | 0.00                   | 0.00                   |
| Income Tax Recivable           |  | 1.11                                       | 2.95                    | 1.84                   | 1.00                   |
| United India Insurance Company |  | 1.97                                       | 19.58                   | 19.31                  | 0.00                   |
| Oriental Insurance             |  | 19.58                                      | 1.97                    | 0.00                   | 0.00                   |
| GST Input                      |  | 0.06                                       | 0.07                    | 0.07                   | 0.00                   |
| Accrued Interest               |  | 0.70                                       | 0.00                    | 0.00                   | 0.00                   |
| Misc Expenses                  |  | 0.00                                       | 0.00                    | 0.21                   | 0.21                   |
| <b>TOTAL</b>                   |  | <b>52.06</b>                               | <b>24.57</b>            | <b>21.43</b>           | <b>1.21</b>            |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV &amp; IV(A)

**ANNEXURE 15****RESTATED SUMMARY OF REVENUE FROM OPERATIONS****(Rs In Lakhs)**

| Particulars                    |  | As at September<br>30, 2020<br>In<br>Lakhs | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|--------------------------------|--|--------------------------------------------|-------------------------|------------------------|------------------------|
| <b>Sale of products</b>        |  |                                            |                         |                        |                        |
| Sale of products               |  | 5325.04                                    | 5056.05                 | 1999.83                | 2313.04                |
| <b>Revenue from operations</b> |  | <b>5325.04</b>                             | <b>5056.05</b>          | <b>1999.83</b>         | <b>2313.04</b>         |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV &amp; IV(A)

**ANNEXURE 16****RESTATED SUMMARY OF OTHER INCOME****(Rs In Lakhs)**

| Particulars                            |  | As at September<br>30, 2020<br>In<br>Lakhs | As at March 31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|----------------------------------------|--|--------------------------------------------|-------------------------|------------------------|------------------------|
| <b>Other non-operating income</b>      |  |                                            |                         |                        |                        |
| Interest Income                        |  | 4.07                                       | 0.00                    | 0.00                   | 0.00                   |
| Discount Received                      |  | 0.00                                       | 2.43                    | 0.44                   | 0.00                   |
| Kanta Weight Difference                |  | 0.11                                       | 2.70                    | 0.00                   | 0.00                   |
| Shortage & Dust Expenses / Misc Income |  | 0.00                                       | 0.10                    | 0.00                   | 0.46                   |



|              |  |             |             |             |             |
|--------------|--|-------------|-------------|-------------|-------------|
| <b>Total</b> |  | <b>4.18</b> | <b>5.23</b> | <b>0.44</b> | <b>0.46</b> |
|--------------|--|-------------|-------------|-------------|-------------|

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE 17**

**RESTATED SUMMARY OF CHANGES IN INVENTORIES**

**(Rs In Lakhs)**

| Particulars                 |  | As at September<br>30, 2020<br>Lakhs | In<br>2020      | As at March<br>31,2019 | As at March<br>31,2018 |
|-----------------------------|--|--------------------------------------|-----------------|------------------------|------------------------|
| <b>Finished Goods</b>       |  |                                      |                 |                        |                        |
| Opening stock               |  | 1067.51                              | 576.49          | 182.05                 | 342.99                 |
| Closing Stock               |  | 1483.28                              | 1067.51         | 576.49                 | 182.05                 |
| <b>Changes in inventory</b> |  | <b>(415.77)</b>                      | <b>(491.02)</b> | <b>(394.44)</b>        | <b>160.95</b>          |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE 18**

**RESTATED SUMMARY OF EMPLOYEE BENEFIT EXPENSES**

**(Rs In Lakhs)**

| Particulars            |  | As at September<br>30, 2020<br>Lakhs | In<br>2020   | As at March<br>31,2019 | As at March<br>31,2018 |
|------------------------|--|--------------------------------------|--------------|------------------------|------------------------|
| Salary & Wages         |  | 61.06                                | 80.70        | 61.14                  | 61.99                  |
| Incentive to Employee  |  | 1.90                                 | 5.66         | 1.09                   | 0.00                   |
| ESIC &EPF Contribution |  | 3.11                                 | 3.78         | 1.09                   | 0.00                   |
| <b>Total</b>           |  | <b>66.07</b>                         | <b>90.14</b> | <b>63.33</b>           | <b>61.99</b>           |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE 19**

**RESTATED SUMMARY OF FINANCE COSTS**

**(Rs In Lakhs)**

| Particulars       |  | As at September<br>30, 2020<br>Lakhs | In<br>2020   | As at March<br>31,2019 | As at March<br>31,2018 |
|-------------------|--|--------------------------------------|--------------|------------------------|------------------------|
| Bank Charges      |  | 9.88                                 | 2.29         | 1.97                   | 1.90                   |
| Interest Expenses |  | 41.56                                | 45.85        | 14.59                  | 18.37                  |
| <b>Total</b>      |  | <b>51.44</b>                         | <b>48.14</b> | <b>16.56</b>           | <b>20.27</b>           |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE 20**

**RESTATED SUMMARY OF OTHER EXPENSES**

**(Rs In Lakhs)**

| Particulars                |  | As at September<br>30, 2020<br>Lakhs | In<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|----------------------------|--|--------------------------------------|------------|------------------------|------------------------|
| <b>Processing Expenses</b> |  |                                      |            |                        |                        |
| Rates And Taxes            |  | 34.80                                | 0.00       | 0.00                   | 6.95                   |
| Certification Charges      |  | 34.61                                | 25.84      | 14.72                  | 14.00                  |
| Packing Material           |  | 118.98                               | 0.00       | 54.36                  | 92.39                  |
| Reimbursement Expenses     |  | 19.43                                | 58.12      | 0.00                   | 0.00                   |
| Rent Exp.                  |  | 22.94                                | 36.48      | 36.09                  | 13.16                  |
| Rate Diffrence             |  | 0.20                                 | 5.57       | 18.26                  | 28.66                  |
| Research And Development   |  | 15.78                                | 2.33       | 0.11                   | 0.00                   |
| Seed Proceesing Expenses   |  | 19.65                                | 36.00      | 22.61                  | 3.47                   |

|                                            |  |               |               |               |               |
|--------------------------------------------|--|---------------|---------------|---------------|---------------|
| <b>Administrative and Selling Expenses</b> |  |               |               |               |               |
| Advertisement Exp                          |  | 29.80         | 0.25          | 12.07         | 7.83          |
| Auditor's Remuneration                     |  | 0.00          | 3.90          | 0.20          | 0.17          |
| Cash Discount & Incentives                 |  | 91.40         | 88.75         | 35.66         | 31.42         |
| Comission Expenses                         |  | 2.53          | 5.14          | 0.58          | 0.00          |
| Electricity Expense                        |  | 5.43          | 2.18          | 0.69          | 1.85          |
| Insurance Exp.                             |  | 3.76          | 5.06          | 1.69          | 0.70          |
| Interest On Income Tax                     |  | 0.00          | 0.00          | 0.00          | 0.14          |
| Legal & Professional Charges               |  | 7.61          | 0.00          | 4.00          | 6.32          |
| Office Expenses                            |  | 4.78          | 7.37          | 9.21          | 23.70         |
| Other Expense                              |  | 0.00          | 1.13          | 0.71          | 0.54          |
| Postage and Telephone Expense              |  | 0.66          | 1.05          | 0.93          | 1.48          |
| Repair & Maintenance                       |  | 2.13          | 4.11          | 1.99          | 2.01          |
| ROC Expenses                               |  | 0.00          | 1.35          | 0.38          | 0.00          |
| License Fees                               |  | 0.00          | 3.93          | 3.68          | 0.00          |
| Stamp Charges and Lease Fees               |  | 0.60          | 3.73          | 0.00          | 0.00          |
| Stationary & Printing                      |  | 9.77          | 9.17          | 1.60          | 0.18          |
| Transportation                             |  | 262.34        | 140.28        | 70.43         | 50.74         |
| Travelling & Conveyance                    |  | 0.00          | 0.00          | 15.93         | 6.03          |
| Penalty and Late Fees                      |  | 0.00          | 2.94          | 0.09          | 0.00          |
| Vehicle Running Exp.                       |  | 1.01          | 0.00          | 0.87          | 2.31          |
| <b>Total</b>                               |  | <b>688.21</b> | <b>444.68</b> | <b>306.86</b> | <b>294.04</b> |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE 21**

**RESTATED SUMMARY OF CONTINGENT LIABILITIES AND COMMITMENTS**

|                                                    |  | <b>(Rs In</b>                   |                             |                            |                            |
|----------------------------------------------------|--|---------------------------------|-----------------------------|----------------------------|----------------------------|
| <b>Particulars</b>                                 |  | <b>As at September 30, 2020</b> | <b>As at March 31, 2020</b> | <b>As at March 31,2019</b> | <b>As at March 31,2018</b> |
| (a) Bills Discounted from Banks                    |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (b) Bank Guarantee issued by bank                  |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (c) Corporate Guarantee given by company           |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (d) Duty saved against Advanced Authorization/EPCG |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (e) Claim against company not acknowledge as debt. |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (1)In respect of Income tax                        |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (2) In respect of Sales tax                        |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (3) In respect of Service tax / excise duty        |  | NIL                             | NIL                         | NIL                        | NIL                        |
| (4) in respect of Capital account transaction      |  | NIL                             | NIL                         | NIL                        | NIL                        |

**ANNEXURE 22**

**RESTATED SUMMARY OF RELATED PARTIES TRANSACTIONS**

|                                                                  |  | <b>(Rs In Lakhs)</b>            |                             |                            |                            |
|------------------------------------------------------------------|--|---------------------------------|-----------------------------|----------------------------|----------------------------|
| <b>Name of the Party</b>                                         |  | <b>As at September 30, 2020</b> | <b>As at March 31, 2020</b> | <b>As at March 31,2019</b> | <b>As at March 31,2018</b> |
| <b>Transactions during the year with related parties and KMP</b> |  |                                 |                             |                            |                            |
| <b>Salary</b>                                                    |  |                                 |                             |                            |                            |
| Lokendra singh Rajput (Director)                                 |  | 1020000.00                      | 1800000.00                  | 0.00                       | 0.00                       |
| Smt Pushpa Rajput (Director)                                     |  | 120000.00                       | 240000.00                   | 0.00                       | 0.00                       |
| Smt Rashmi Rajput (Director)                                     |  | 120000.00                       | 240000.00                   | 0.00                       | 0.00                       |
|                                                                  |  | <b>1260000.00</b>               | <b>2280000.00</b>           | <b>0.00</b>                | <b>0.00</b>                |
| <b>Rent</b>                                                      |  |                                 |                             |                            |                            |
| Smt Pushpa Rajput (Director)                                     |  | 600000.00                       | 1200000.00                  | 1505000.00                 | 637500.00                  |
| Smt Rashmi Rajput (Director)                                     |  | 990000.00                       | 1980000.00                  | 1485000.00                 | 1750000.00                 |
|                                                                  |  | <b>1590000.00</b>               | <b>3180000.00</b>           | <b>2990000.00</b>          | <b>2387500.00</b>          |
| <b>Purchases</b>                                                 |  |                                 |                             |                            |                            |
| Smt Rashmi Rajput (Director)                                     |  | 963044.00                       | 5994682.00                  | 900000.00                  | 0.00                       |
| Smt Pushpa Rajput (Director)                                     |  | 4313757.82                      | 4044561.00                  | 400000.00                  | 0.00                       |

|                                         |  |                    |                    |                   |             |
|-----------------------------------------|--|--------------------|--------------------|-------------------|-------------|
|                                         |  | <b>5276801.82</b>  | <b>10039243.00</b> | <b>1300000.00</b> | <b>0.00</b> |
| <b>Net Unsecured Loan taken</b>         |  |                    |                    |                   |             |
| Lokendra singh Rajput (Director)        |  | 7300000.00         | 4000000.00         | 0.00              | 0.00        |
| Smt Pushpa Rajput (Director)            |  | 0.00               | 1900000.00         | 0.00              | 0.00        |
| Smt Rashmi Rajput (Director)            |  | 0.00               | 1800000.00         | 0.00              | 0.00        |
|                                         |  | <b>7300000.00</b>  | <b>7700000.00</b>  | <b>0.00</b>       | <b>0.00</b> |
| <b>23.3 Balances as at the year end</b> |  |                    |                    |                   |             |
| <b>Unsecured Loans</b>                  |  |                    |                    |                   |             |
| Mr.Lokendra Singh Rajput                |  | 11300000.00        | 4000000.00         | 0.00              | 0.00        |
| Mrs.Rashmi Rajput                       |  | 1800000.00         | 1800000.00         | 0.00              | 0.00        |
| Mrs Pushpa Rajput                       |  | 1900000.00         | 1900000.00         | 0.00              | 0.00        |
|                                         |  | <b>15000000.00</b> | <b>7700000.00</b>  | <b>0.00</b>       | <b>0.00</b> |
| <b>Sundry Creditors</b>                 |  |                    |                    |                   |             |
| Mr.Lokendra Singh Rajput                |  | 63062.00           | 128515.00          | 0.00              |             |
| Mrs.Rashmi Rajput                       |  | 41800.00           | 239500.00          | 900000.00         |             |
| Mrs Pushpa Rajput                       |  | 0.00               | 162000.00          | 400000.00         |             |
|                                         |  | <b>104862.00</b>   | <b>530015.00</b>   | <b>1300000.00</b> | <b>0.00</b> |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

**ANNEXURE 23**

**RESTATED SUMMARY OF ACCOUNTING RATIOS**

| Ratio                                                                                 |  | As at<br>September<br>30, 2020 | As at March 31,<br>2020 | As at<br>March<br>31,2019 | As at March<br>31,2018 |
|---------------------------------------------------------------------------------------|--|--------------------------------|-------------------------|---------------------------|------------------------|
| Restated PAT as per statement of profit and loss<br>(A)                               |  | 75.80                          | 39.37                   | 19.65                     | 16.10                  |
| No. of Equity Shares at the beigning of the year /<br>period (B)                      |  | 13.30                          | 13.30                   | 6.10                      | 6.10                   |
| Weighted average number of equity shares at the end of the year<br>before bonus issue |  | 14.96                          | 13.30                   | 12.83                     | 6.10                   |
| Equivalent Weighted average Number of Equity Shares at the end<br>of the year         |  | 25.01                          | 13.30                   | 12.83                     | 6.10                   |
| No of equity shares at the end of the year (C)                                        |  | 30.00                          | 13.30                   | 13.30                     | 6.10                   |
| Net Worth , as Restated (D)                                                           |  | 463.65                         | 220.85                  | 181.48                    | 89.83                  |
| Current Assets                                                                        |  | 3141.96                        | 2358.30                 | 812.02                    | 259.03                 |
| Current Liabilities                                                                   |  | 2705.14                        | 2271.85                 | 679.65                    | 222.47                 |
| <b>Earnings Per Share</b>                                                             |  |                                |                         |                           |                        |
| Pre-Bonus                                                                             |  | 5.16                           | 2.96                    | 1.53                      | 2.64                   |
| Post-Bonus                                                                            |  | 3.03                           | 2.96                    | 1.53                      | 2.64                   |
| Return on net worth (%) (A/D)                                                         |  | 16.35                          | 17.83                   | 10.83                     | 17.93                  |
| Net Asset value per Equity Share–After Bonus &<br>Right Issue(A/C)                    |  | 15.45                          | 16.61                   | 13.64                     | 14.73                  |
| Current Ratio                                                                         |  | 1.16                           | 1.04                    | 1.19                      | 1.16                   |
| EBITDA                                                                                |  | 159.78                         | 104.77                  | 47.75                     | 46.76                  |
| Nominal value per equity share (Rs.)                                                  |  | 10.00                          | 10.00                   | 10.00                     | 10.00                  |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

## ANNEXURE 25

## RESTATED SUMMARY OF STATEMENT OF TAX SHELTERS

(Rs In Lakhs)

| Particulars                                                           |  | As at September<br>30, 2020 | As at March<br>31,<br>2020 | As at March<br>31,2019 | As at March<br>31,2018 |
|-----------------------------------------------------------------------|--|-----------------------------|----------------------------|------------------------|------------------------|
| <b>Profit before tax, as restated (A)</b>                             |  | 102.51                      | 53.22                      | 26.71                  | 21.96                  |
| Normal Corporate Tax Rate (%)                                         |  | 25.00%                      | 25.00%                     | 25.00%                 | 25.00%                 |
| Minimum Alternative Tax Rate (%)                                      |  | 15.00%                      | 15.00%                     | 18.50%                 | 18.50%                 |
| <b>Adjustments :</b>                                                  |  |                             |                            |                        |                        |
| <b>Permanent differences</b>                                          |  |                             |                            |                        |                        |
| Expenses disallowed under Income Tax Act,1961                         |  | 0.00                        | 0.00                       | 0.00                   | 2.51                   |
| <b>Total permanent</b>                                                |  | <b>0.00</b>                 | <b>0.00</b>                | <b>0.00</b>            | <b>2.51</b>            |
| <b>Income considered separately (C.)</b>                              |  | <b>0.00</b>                 | <b>0.00</b>                | <b>0.00</b>            | <b>0.00</b>            |
| <b>Timing differences</b>                                             |  |                             |                            |                        |                        |
| Depreciation as per Books                                             |  | 5.83                        | 3.40                       | 4.48                   | 4.53                   |
| Depreciation as per IT Act                                            |  | (19.50)                     | (15.91)                    | (6.04)                 | (6.91)                 |
| <b>Total timing differences (D)</b>                                   |  | <b>(13.67)</b>              | <b>(12.51)</b>             | <b>(1.56)</b>          | <b>(2.38)</b>          |
| <b>Net adjustments E = (B+C+D)</b>                                    |  | <b>(13.67)</b>              | <b>(12.51)</b>             | <b>(1.56)</b>          | <b>0.14</b>            |
| <b>Tax expense / (saving) thereonTax<br/>expense/(saving) thereon</b> |  | 0.00                        | 0.00                       | 0.00                   | 0.00                   |
| <b>Income from other sources (F)</b>                                  |  | 0.00                        | 0.00                       | 0.00                   | 0.00                   |
| <b>Exempt Income (G)</b>                                              |  | 0.00                        | 0.00                       | 0.00                   | 0.00                   |
| <b>Taxable income/(loss) (A+E+F-G)</b>                                |  | <b>88.84</b>                | <b>40.72</b>               | <b>25.15</b>           | <b>22.10</b>           |
| <b>Tax as per Normal Provision</b>                                    |  | <b>23.10</b>                | <b>10.59</b>               | <b>6.54</b>            | <b>5.69</b>            |
| <b>Taxable income/(loss) as per MAT</b>                               |  | <b>102.51</b>               | <b>53.22</b>               | <b>26.71</b>           | <b>21.96</b>           |
| <b>Income tax as per MAT</b>                                          |  | <b>15.38</b>                | <b>7.98</b>                | <b>5.14</b>            | <b>4.18</b>            |
| Tax paid as per "MAT" or "Normal Provisions"                          |  | <b>Normal</b>               | <b>Normal</b>              | <b>Normal</b>          | <b>Normal</b>          |

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A)

## CAPITALISATION STATEMENT

The following table sets forth our capitalization and total debt as of September 30, 2020 (based on our Restated Financial Statements) and as adjusted to give effect to the Issue. This table should be read in conjunction with the section titled '**Restated Financial Statements**', '**Risk Factors**', '**Management's Discussion and Analysis of Financial Position and Results of Operations**' and '**Other Financial Information**' beginning on page 182, 23, 205 and 204, respectively, of this Draft Prospectus.

| (₹ in Lakhs)                                      |  |                               |            |
|---------------------------------------------------|--|-------------------------------|------------|
| Particulars                                       |  | PRE ISSUE as on<br>30.09.2020 | POST ISSUE |
| <b>Borrowings:</b>                                |  |                               |            |
| Short term Debt (A)                               |  | 913.94                        | [●]        |
| Long-term Debt (B)                                |  | 289.40                        | [●]        |
| <b>Total debts (C)</b>                            |  | <b>1203.34</b>                | <b>[●]</b> |
| <b>Shareholders' funds</b>                        |  |                               |            |
| Share capital                                     |  | 300.00                        | [●]        |
| Reserve and surplus                               |  | 163.65                        | [●]        |
| <b>Total shareholders' funds (D)</b>              |  | <b>463.65</b>                 | <b>[●]</b> |
| <b>Long term debt / shareholders' funds (B/D)</b> |  | <b>0.62</b>                   | <b>[●]</b> |
| <b>Total debt / shareholders' funds (C/D)</b>     |  | <b>2.60</b>                   | <b>[●]</b> |

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures , I, II,III,IV & IV(A) The above has been computed on the basis of Restated Financial Statements.

## OTHER FINANCIAL INFORMATION

Based on Restated Financial Statement of our Company:

| Ratio                                                                              | As at<br>September<br>30, 2020 | As at March<br>31,<br>2020 | As at<br>March<br>31,2019 | As at March<br>31,2018 |
|------------------------------------------------------------------------------------|--------------------------------|----------------------------|---------------------------|------------------------|
| Restated PAT as per statement of profit and loss <b>(A)</b>                        | 75.80                          | 39.37                      | 19.65                     | 16.10                  |
| No. of Equity Shares at the beigning of the year /period <b>(B)</b>                | 13.30                          | 13.30                      | 6.10                      | 6.10                   |
| Weighted average number of equity shares at the end of the year before bonus issue | 14.96                          | 13.30                      | 12.83                     | 6.10                   |
| Equivalent Weighted average Number of Equity Shares at the end of the year         | 25.01                          | 13.30                      | 12.83                     | 6.10                   |
| No of equity shares at the end of the year <b>(C)</b>                              | 30.00                          | 13.30                      | 13.30                     | 6.10                   |
| Net Worth , as Restated <b>(D)</b>                                                 | 463.65                         | 220.85                     | 181.48                    | 89.83                  |
| Current Assets                                                                     | 3141.96                        | 2358.30                    | 812.02                    | 259.03                 |
| Current Liabilities                                                                | 2705.14                        | 2271.85                    | 679.65                    | 222.47                 |
| <b>Earnings Per Share</b>                                                          |                                |                            |                           |                        |
| Pre-Bonus                                                                          | 5.16                           | 2.96                       | 1.53                      | 2.64                   |
| Post-Bonus                                                                         | 3.03                           | 2.96                       | 1.53                      | 2.64                   |
| Return on net worth (%) <b>(A/D)</b>                                               | 16.35                          | 17.83                      | 10.83                     | 17.93                  |
| Net Asset value per Equity Share–After Bonus & Right Issue <b>(A/C)</b>            | 15.45                          | 16.61                      | 13.64                     | 14.73                  |
| Current Ratio                                                                      | 1.16                           | 1.04                       | 1.19                      | 1.16                   |
| EBITDA                                                                             | 159.78                         | 104.77                     | 47.75                     | 46.76                  |
| Nominal value per equity share (Rs.)                                               | 10.00                          | 10.00                      | 10.00                     | 10.00                  |

The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

1. The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Equity Shares outstanding during the year;
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Diluted Potential Equity Shares outstanding during the year;
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/Net Worth X 100;
  - d) Restated Net Assets Value Per Equity Share (Rs.) = Restated Net Worth as at the end of the Year/Total Number of Equity Share outstanding during the Year;
2. Weighted Average Number of Equity is the number of Equity Share of Company calculated after adjusting for changes in the share capital over the reporting period;
3. Net Worth = Equity Share Capital + Reserves & Surplus (including surplus in the Statement of Profit & Loss and adjusted for losses, if any);
4. The figures disclosed above are based on the Restated Financial Statements of the Company.

For further details on Other Financial Information please refer to 'Annexure 23 - Restated Summary of Accounting' under section titled '**Restated Financial Statements**' beginning on page 182 of this Draft Prospectus.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our restated financial statements for the half year ended September 30, 2020, and financial years ended March 31, 2020, March 31, 2019, March 31, 2018 prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexures and notes thereto and the report thereon included in the section titled '**Restated Financial Statements**' on page 182 of this Draft Prospectus. You should also read the section titled '**Risk Factors**' beginning on page 23 and the section titled '**Forward Looking Statements**' on page 16 of this Draft Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated Financial Statements.

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### Overview

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ride-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products

Lokendra Rajput, a graduate in agricultural science, is the founder Promoter of our Company. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. Our Company has gained over fourteen years of experience in the business and production of quality seeds.

We are producing high Quality Seed with the following objectives:

- Supply of quality seeds at the affordable price;
- Technical and economic strengthening of seed growers; and
- Making the required seeds available at the right place, at the right time and at the right price;

We are one of the established seed production and processing company in Madhya Pradesh. Our Company's processing unit are at following locations

| Sr. No | Location of the Property                                                                            | Parties to the Agreement                                                                    | Status of Property | Agreement Period                        |                | Key Terms                                                                  |
|--------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------|-----------------------------------------|----------------|----------------------------------------------------------------------------|
|        |                                                                                                     |                                                                                             |                    | From                                    | To             |                                                                            |
| 1.     | New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg Maksi Road Factory Area | Landlord: Modern Food Industries (India) Ltd<br><br>Tenant: Vardaan Biotech Private Limited | Building is Leased | April 01, 2020                          | March 31, 2021 | Building is leased and the Plant & Machinery is installed and owned by us. |
| 2.     | Survey No.262, Village Jaithal, Patwari Halka No.42 Teh. and Dist. Ujjain                           | Landlord: Lokendra Rajput<br><br>Tenant: Vardaan Biotech Private Limited                    | Land is Leased     | 18 years Lease expiring on May 31, 2038 |                | Land is leased. Our Company constructed its own Building on that land      |

| Sr. No | Location of the Property | Parties to the Agreement | Status of Property | Agreement Period |    | Key Terms                       |
|--------|--------------------------|--------------------------|--------------------|------------------|----|---------------------------------|
|        |                          |                          |                    | From             | To |                                 |
|        |                          |                          |                    |                  |    | and installed Plant & Machinery |

Our Company has entered into an agreement with M/s V.I.B Agritech (Hereinafter referred to as “Processor”) for processing of seeds for our company at its seed processing unit is located at SY.No.605/P, H.No. 7-157, Poodur (V), Medchal (M&D) Hyderabad, India. The Processor is responsible for unloading of raw materials, storage, processing, packing of seeds, etc.

We started our operation in Madhya Pradesh and now have spread our customer base in the following States:

- Maharashtra;
- Bihar;
- Chhattisgarh;
- Jharkhand;
- Rajasthan;
- Uttar Pradesh;
- Telangana;

We have also established marketing network with wholesalers and retailers spread over in Madhya Pradesh and other states such as Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chattisgarh, Telangana, and Maharashtra. Our customer reach has also expanded from Madhya Pradesh to Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chattisgarh, and Maharashtra. All the seed varieties produced and developed by our Company are marketed under the brand of ‘Vardaan Seeds’.

Our revenue and profit in the last three (3) Financial Years are reproduced below:

(₹ in Lakhs)

| Particulars             | For the period ended<br>September 30, 2020 | Financial Year |           |           |
|-------------------------|--------------------------------------------|----------------|-----------|-----------|
|                         |                                            | 2019-2020      | 2018-2019 | 2017-2018 |
| Revenue from operations | 5325.04                                    | 5056.05        | 1999.83   | 2313.04   |
| Net Profit after tax    | 75.80                                      | 39.37          | 19.65     | 16.10     |

Our Company aims to supply quality hybrid seeds and crops to the farmers. For achieving this, our Company has engaged the services of Lorven Biologics Private Limited, Hyderabad for the purpose of undertaking research and development, in order to enable us to develop and improve quality of production of seeds

## TYPE OF PRODUCT

| Name of the Product                                                                                                            | Qualities and Features                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hybrid Maize<br>(In different variants)<br> | <ul style="list-style-type: none"> <li>• Single Cross;</li> <li>• Strong stalks suitable for high density;</li> <li>• Duration 105 days to 140 days in Rabi Season;</li> </ul>                               |
| Hybrid Paddy<br>(In different variants)                                                                                        | <ul style="list-style-type: none"> <li>• Semi-dwarf Plant;</li> <li>• Medium slender grains;</li> <li>• Wider adaptability with 69% shelling;</li> <li>• Tolerant to blast, BPH and Grain moulds;</li> </ul> |



|                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | <ul style="list-style-type: none"> <li>• Duration 100 days to 105 days (Kharif), 110 to 115 days (Rabi);</li> </ul>                                                                                                                                                                                                                                                                                                             |
| Improved Paddy<br>(In different variants)<br> | <ul style="list-style-type: none"> <li>• Medium Slender Grain;</li> <li>• Lengthy panicle with more number of grains;</li> <li>• 10 to 14 tillers per plant;</li> <li>• High Tolerance to disease;</li> <li>• Duration 120 to 140 days</li> </ul>                                                                                                                                                                               |
| Hybrid Bajra<br>                              | <ul style="list-style-type: none"> <li>• Late Maturing tall hybrid</li> <li>• Good adaptability across the locations</li> <li>• Globular Grey colored grain</li> <li>• Duration 80 to 85 Days</li> </ul>                                                                                                                                                                                                                        |
| Hybrid SSG<br>Ruby<br>                       | <ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Leaves are long and medium board, smooth and soft with dull white mid rib;</li> <li>• Inflorescence is long with very long peduncle, semi-loose with erect primary branches;</li> <li>• Glumes are red to purple in colour;</li> <li>• Seed is partial red tinged; round to elliptical shaped and dimpled;</li> </ul> |
| Hybrid SSG Moti<br>                         | <ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Multicutting;</li> <li>• Long internodes, and foliage is high;</li> <li>• Leaves are long and narrow, smooth and thin with pale white mid rib;</li> <li>• Glumes mahogany to purple in colour;</li> <li>• Seed is white, non-lustrous, round shaped, dimpled and medium sized;</li> </ul>                             |
| Improved Mustard<br>                        | <ul style="list-style-type: none"> <li>• Duration 11 to 120 Days;</li> <li>• Medium height Plant;</li> <li>• Cruciferous flower with yellow petals;</li> <li>• Blackish brown: round; bold petals;</li> <li>• Better oil percentage.</li> </ul>                                                                                                                                                                                 |
| Improved Pea<br>                            | <ul style="list-style-type: none"> <li>• Plant height 70-85 cms;</li> <li>• Number of seeds 10-11 per pod;</li> <li>• Duration 80 to 85 Days;</li> <li>• Green normal leaf;</li> <li>• Flower light blue petal colour;</li> <li>• Seed Cylindrical shape with smooth surface.</li> </ul>                                                                                                                                        |
| Improved Wheat<br>                          | <ul style="list-style-type: none"> <li>• Semi erect plant;</li> <li>• Plant height 85-90 cms;</li> <li>• Duration 100 days to 157 days;</li> <li>• Grain colour amber</li> </ul>                                                                                                                                                                                                                                                |
| Hybrid Tomato                                                                                                                  | <ul style="list-style-type: none"> <li>• Strong Plant;</li> <li>• Attractive Red Fruit;</li> </ul>                                                                                                                                                                                                                                                                                                                              |

|                                                                                                           |                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | <ul style="list-style-type: none"> <li>• Fruit weight 90 to 100 gsm;</li> <li>• Good Firmness and Shelf life;</li> <li>• First Harvest 65 to 70 days;</li> <li>• Tolerant to ToLCV and early blight;</li> </ul>                                                                                   |
| Hybrid Chilly<br>        | <ul style="list-style-type: none"> <li>• Attractive shining light green;</li> <li>• Good shelf life;</li> <li>• Cayenne type with wrinkles;</li> <li>• Number of seeds 6-7 per pod;</li> <li>• Height Pungency 13 to 15 cms;</li> <li>• Fruit Length with thickness of 1.2 to 1.4 cms;</li> </ul> |
| Imported Coriander<br>   | <ul style="list-style-type: none"> <li>• Good Plant Vigour;</li> <li>• Attractive dark green leaves;</li> <li>• Stem does not break on bending;</li> <li>• Suitable for multiple harvests;</li> <li>• First Harvest 25-30 days after sowing</li> </ul>                                            |
| Hybrid Okra<br>         | <ul style="list-style-type: none"> <li>• High Yelder;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11 cm;</li> </ul>                                                                                                                 |
| Research Okra<br>      | <ul style="list-style-type: none"> <li>• High Yelder;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11Cm;</li> </ul>                                                                                                                  |
| Hybrid Watermelon<br>  | <ul style="list-style-type: none"> <li>• Early Hybrid and High Yelder;</li> <li>• Good Transport Quality;</li> <li>• Black Green fruits and fruit size 2.5 to 4 Kg;</li> <li>• Crimson color flesh and good texture;</li> </ul>                                                                   |
| Hybrid Ridge Gourd<br> | <ul style="list-style-type: none"> <li>• Strong and Vigorous plant long with deep ridges fruit;</li> <li>• Attractive Green color fruit with length 25 to 35 cm;</li> <li>• Fruit weight 150 to 200 gms;</li> </ul>                                                                               |
| Hybrid Cucumber<br>    | <ul style="list-style-type: none"> <li>• Strong plant with dense foliage;</li> <li>• Maturity 40 to 45 days;</li> <li>• Fruit length 18 to 21 cm. and weight 175 to 225 gms;</li> <li>• Diameter 3.5 to 5 cm. and smooth skin</li> </ul>                                                          |

|                 |                                                                                                                                                                                                                                                            |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Onion Nasik Red | <ul style="list-style-type: none"> <li>• Grown in mainly Kharif Season;</li> <li>• Bulb colour dark red globular shape;</li> <li>• Maturity after transplanting 90-110 days;</li> <li>• Yield 250-300 qntrs/ha;</li> </ul>                                 |
| Beans           | <ul style="list-style-type: none"> <li>• Plant bushy and strong type;</li> <li>• Fruit colour bright dark green and white seed;</li> <li>• Pod stingless round shape with 15-18cm long flesh;</li> <li>• First picking after sowing 40-45 days;</li> </ul> |

## KEY PRODUCTS

|              |                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Wheat</b> | Wheat is a cereal grain which is a worldwide staple food. Our Company deals in 6 variants of Wheat Seeds i.e. Wheat Samrat, Wheat Keshav-172, Wheat Arjun-303, Wheat Kailash, Wheat Shivam, Improved Wheat Keshav-172.                                                                                                                                                           |
| <b>Paddy</b> | Our Company deals in 11 Varieties of Paddy i.e. Hybrid Paddy V-1344, Hybrid Paddy V-1355, Improved Paddy V-Amman, Improved Paddy Bheeshma, Improved Paddy V-Saurav, Improved Paddy Yoddha, Paddy V-Hy Rise.                                                                                                                                                                      |
| <b>Soya</b>  | Our Company deals in production (through contract growers) & trading of Certified soyabean seeds which are widely used for growing of edible bean, in common parlance this is known as soyabean seeds. This seeds are certified under the strict supervision of the State Seed Certification Agency.                                                                             |
| <b>Maize</b> | Maize is grown in almost all the major cropping regions throughout the world. It is one of the most important crops for food, animal feed and industrial use in the world. Maize hybrids are produced as single crosses, double crosses and three way crosses. Our Company deals in 6 variants of Hybrid Maize i.e. Hybrid Maize V-1122, V-1133, V-1155, V-1166, V-1222, V-1244. |

## Significant Developments Subsequent to the Last Audited Period

In the opinion of our Board of Directors of our Company, since the date of the last audited period i.e. September 30, 2020 as disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors have decided to get their Equity Shares listed on EMERGE Platform of National Stock Exchange of India Limited and pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its board meeting held on February 08, 2021, subject to the approval of the shareholders and such other authorities as may be necessary;
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on February 12, 2021 authorized the proposed Initial Public Offering;
3. Our Company has constituted an Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee vide a resolution passed at its board meeting held on February 08, 2021, in accordance with and as per the applicable provisions of Companies Act, 2013;
4. Our Company had issued and allotted bonus shares on pro-rata basis to the then existing shareholders of the Company for every shares held by them on May 25, 2020;
5. Our Company had issued and allotted Equity Shares on a rights issue basis to the Promoter Director on May, 22, 2020;
6. Mithun Bhatt and Avinash Khare were appointed as an Independent Director on the Board of the Company for the tenure of 5 years w.e.f February 03, 2021;
7. Lakhan Jaiswal and Srishti Jain were appointed as the Chief Financial officer and Company Secretary and Compliance Officer of the Company, respectively w.e.f January 25, 2021;

8. Our Company has created a charge on January 06, 2021 for an amount of ₹5,00,00,000.00/- by pledging the warehouse receipts/ storage receipt with Axis Bank.

### **Significant Factors Affecting Our Results of Operations and Financial Condition**

Our Business is subjected to various risks and uncertainties, including those discussed in the section titled '**Risk Factor**' beginning on page 23 of this Draft Prospectus. Our results and operations and financial conditions are affected by numerous factors including the following:

- Increased competition in agro products;
- Increase in price and material component and fluctuations in our operating cost;
- Disruption in our manufacturing facilities
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Factors affecting seed industry;
- Changes in consumer demand.

### **Operations and Impact due to COVID-19**

The impact of the COVID-19 pandemic on our business, operations and future financial performance include, but are not limited to the following:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct, our operations and R&D activities, resulting from government action;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a significant percentage of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed or postponed indefinitely;
- impact our ability to travel, pursue partnerships and other business transactions and delay shipments of our products;
- delays in orders or delivery of orders, which will negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity, including customer bankruptcies or payments to suppliers due to delay in collections or liquidity issue;
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not

have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. As of the date of this Draft Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business.

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial statement of our company for the half year ended September 30, 2020 & financial years ended March 31, 2020, March 31, 2019 & March 31, 2018.

### OVERVIEW OF REVENUE & EXPENDITURE

| Particulars                                   | Period ended September 30, 2020 | % of total revenue | Mar-31         |                    |                |                    |                |                    |
|-----------------------------------------------|---------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|
|                                               |                                 |                    | 2020           | % of total revenue | 2019           | % of total revenue | 2018           | % of total revenue |
| I.Revenue from operations                     | 5325.04                         | 99.92              | 5056.05        | 99.90              | 1999.83        | 99.98              | 2313.04        | 99.98              |
| II.Other income                               | 4.18                            | 0.08               | 5.23           | 0.10               | 0.44           | 0.02               | 0.46           | 0.02               |
| <b>III. Total Revenue (I + II)</b>            | <b>5329.23</b>                  | <b>100.00</b>      | <b>5061.29</b> | <b>100.00</b>      | <b>2000.28</b> | <b>100.00</b>      | <b>2313.5</b>  | <b>100</b>         |
| IV. Expenses:                                 |                                 |                    |                |                    |                |                    |                |                    |
| Cost of Material Consumed                     | 4830.93                         | 90.65              | 4912.71        | 97.06              | 1976.78        | 98.83              | 1749.76        | 75.63              |
| Changes in inventories of finished goods      | (415.77)                        | (7.80)             | (491.02)       | (9.70)             | (394.44)       | (19.72)            | 160.95         | 6.96               |
| Employee benefits expense                     | 66.07                           | 1.24               | 90.14          | 1.78               | 63.33          | 3.17               | 61.99          | 2.68               |
| Finance costs                                 | 51.44                           | 0.97               | 48.14          | 0.95               | 16.56          | 0.83               | 20.27          | 0.88               |
| Depreciation and amortization expense         | 5.83                            | 0.11               | 3.40           | 0.07               | 4.48           | 0.22               | 4.53           | 0.20               |
| Other expenses                                | 688.21                          | 12.91              | 444.68         | 8.79               | 306.86         | 15.34              | 294.04         | 12.71              |
| <b>Total expenses</b>                         | <b>5226.72</b>                  | <b>98.08</b>       | <b>5008.06</b> | <b>98.95</b>       | <b>1973.57</b> | <b>98.66</b>       | <b>2291.54</b> | <b>99.05</b>       |
| <b>V. Profit before exceptional and</b>       | 102.51                          | 1.92               | 53.22          | 1.05               | 26.71          | 1.34               | 21.96          | 0.06               |
| VI. Exceptional items                         | 0                               | -                  | 0              | -                  | 0              | -                  | 0              | -                  |
| <b>VII. Profit before extraordinary items</b> | 102.51                          | 1.92               | 53.22          | 1.05               | 26.71          | 1.34               | 21.96          | 0.95               |
| VIII. Extraordinary Items-                    | 0                               | -                  | 0              | -                  | 0              | -                  | 0              | -                  |
| <b>IX. Profit before tax (VII- VIII)</b>      | 102.51                          | 1.92               | 53.22          | 1.05               | 26.71          | 1.34               | 21.96          | 0.95               |
| X. Tax expense:                               |                                 |                    |                |                    |                |                    |                |                    |
| (1) Current tax                               | 23.10                           | 0.43               | 10.59          | 0.21               | 6.54           | 0.33               | 5.69           | 0.25               |
| (2) Deferred tax                              | 3.61                            | 0.07               | 3.22           | 0.06               | 0.40           | 0.02               | (0.32)         | -0.01              |
| (3) Interest on Income Tax                    | 0                               | 0.00               | 0.05           | 0.00               | 0.12           | 0.01               | 0.49           | 0.02               |
| <b>XI. Profit (Loss) for the period</b>       | 75.80                           | 1.42               | 39.37          | 0.78               | 19.65          | 0.98               | 16.10          | 0.70               |

|                                                                                |             |             |              |             |              |             |              |             |
|--------------------------------------------------------------------------------|-------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| <b>from continuing operations (VII-VIII)</b>                                   |             |             |              |             |              |             |              |             |
| XII. Profit/(loss) from discontinuing                                          | 0           | -           | 0            | -           | 0            | -           | 0            | -           |
| XIII. Tax expense of discontinuing                                             | 0           | -           | 0            | -           | 0            | -           | 0            | -           |
| <b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b> |             |             |              |             |              |             |              |             |
| <b>XV. Profit (Loss) for the period (XI +</b>                                  | <b>75.8</b> | <b>1.42</b> | <b>39.37</b> | <b>0.78</b> | <b>19.65</b> | <b>0.98</b> | <b>16.10</b> | <b>0.70</b> |

### **Main Components of our Profit & Loss Account**

#### **Revenue**

Our total income comprises of revenue from operations and other income:

#### **Revenue from Operations**

Our principal component of income is from the sale of seeds. Our revenue from operations accounted for 99.92%, 99.90%, 99.98%, and 99.98% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

#### **Other Income**

Our other income comprises of interest income, discount received, kanta weight difference and miscellaneous income being shortage and dust expenses. Other income as percentage of total income accounted for 0.08%, 0.10%, 0.02%, and 0.02% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

#### **Cost of Materials Consumed**

Cost of material consumed accounted for 90.65%, 97.06%, 98.83%, and 75.63% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

#### **Changes in Inventories**

Changes in inventories of finished goods accounted for (7.80%), (9.70%), (19.72%), and 6.96% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

#### **Employee Benefit Expenses**

Employee Benefit Expenses include expenses in relation to employees' remuneration and benefits including salary and wages, incentives to employees, Employees' State Insurance Corporation contribution and Employees' Provident Fund contribution. Employee benefit expenses accounted for 1.24%, 1.78%, 3.17%, and 2.68% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

#### **Finance Cost**



Our finance cost majorly consists of bank charges and interest expenses. Finance costs accounted for 0.97%, 0.95%, 0.83%, and 0.88% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

### **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses primarily consist of depreciation on the building, plant and machinery, office equipments, computer equipments, furniture and fixtures, and intangible assets. Depreciation and amortization expenses accounted for 0.11%, 0.07%, 0.22%, and 0.20% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

### **Other Expenses**

Our other expenses are sub-divided into processing expenses such as rates and taxes, certification charges, packing material, reimbursement expenses, rent expenses, rate difference, research and development, seed processing expenses and administrative and selling expenses such as advertisement expenses, auditor remuneration, cash discount and incentives, commission expenses, electricity expenses, insurance expenses, interest on income tax, legal and professional charges, office expenses, other expenses, postage and telephone expense, repair and maintenance, RoC expenses, license fees, stamp charges and lease fees, stationary and printing, transportation, travelling and conveyance, penalty and late fees, and vehicle running expenses. Our other expenses accounted for 12.91%, 8.79%, 15.34%, and 12.71% as a percentage of our total income half-year ended September 30, 2020 and for the Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018.

### **Provision for Tax**

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

### **Review for the half-year ended as on September 30, 2020**

#### **Revenue**

Our total revenue for the half-year ended on September 30, 2020 was ₹5329.23 Lakhs. In the current period, the revenue earned from operations is ₹5325.04 Lakhs accounting for 99.92% of the total income. Other income for said period was recorded at ₹4.18 lakhs accounting for 0.08% of total income.

#### **Cost of Materials consumed**

The purchases for the half-year ended on September 30, 2020 were ₹4830.93 Lakhs which accounted for 90.65% of our total revenue.

#### **Changes in Inventories**

Changes in inventories of finished goods for the half-year ended on September 30, 2020 was ₹(415.77) Lakhs which accounted for 7.80% of our total revenue.

#### **Employee Benefit Expenses**

Our Employee Benefit Expenses for the half-year ended on September 30, 2020 was ₹66.07 lakhs which accounted for 1.24% of our total revenue.

#### **Finance Cost**

Our finance cost for the half-year ended on September 30, 2020 stood at ₹51.44 Lakhs which accounted for 0.97% of our total revenue.

### **Depreciation and Amortization Expenses**

Our depreciation and amortization expenses for the half-year ended on September 30, 2020 was ₹5.83 Lakhs which accounted for 0.11% of our total revenue.

### **Other Expenses**

Our other expenses for the half-year ended on September 30, 2020 was ₹688.21 Lakhs which accounted for 12.91% of our total revenue.

### **Profit before Tax**

Profit/ (Loss) before Tax for period ended on September 30, 2020 was ₹102.51 Lakhs.

### **Profit after Tax**

Profit/ (Loss) after Tax for ended on September 30, 2020 was ₹75.80 Lakhs.

### **Financial Year 2019-2020 compared with Financial Year 2018-2019**

#### **Revenue**

Our total revenue for Financial Year 2019-2020 was ₹5061.29 Lakhs, an increase in 153.03% over the total revenue of ₹2000.28 Lakhs in Financial Year 2018-2019. The EBITDA and PAT margin of the company in Financial Year 2019-2020 was 2.07% and 0.78% as compared to 2.39% and 0.98% in Financial Year 2018-2019.

#### **Revenue from Operations**

Our revenue from operations for Financial Year 2019-2020 was ₹5056.05 Lakhs, an increase of 152.82% over the total revenue of ₹2000.28 Lakhs in the Financial Year 2018-2019.

#### **Expenditure**

##### **Total Expenses**

The total expenditure for Financial Year 2019-2020 and the Financial Year 2018-2019 are ₹5008.06 Lakhs and ₹1973.57 Lakhs, respectively which is 98.95% and 98.66% of total revenue. The expenses increased by 153.76%, whereas revenue increased by 153.03% in the Financial Year 2019-2020.

##### **Cost of Material consumed**

The Cost of Materials consumed in the Financial Year 2019-2020 was ₹4912.7 Lakhs, an increase of 148.52% over the cost of Materials consumed of ₹1,976.78 Lakhs in the Financial Year 2018-2019.

##### **Change in Inventories**

The changes in inventories in the Financial Year 2019-2020 was negative ₹491.02 Lakhs which is negative 9.70% of total revenue, whereas in the Financial Year 2018-2019 it was negative ₹394.44 Lakhs which is negative 19.72% of total revenue. The change in inventories was 24.49% over the Financial Year 2019-2020.

##### **Employee Benefit Expenses**

Employee Benefit Expenses include expenses in relation to employees' remuneration and benefits including salary and wages, incentives to employees, Employees' State Insurance Corporation contribution and Employees' Provident Fund contribution. Our Company has incurred ₹90.14 Lakhs as employee benefit expenses during the in the Financial Year 2019-2020 as compared to ₹63.33 Lakhs during the Financial Year 2018-2019. The increase is 42.33% as compared to previous year. The increase is primarily due to increase in the number of employees and increase in the compensation paid.



## **Finance Cost**

The finance cost for in the Financial Year 2019-2020 was ₹48.14 Lakhs an increase of 190.70% over the Financial Year 2018-2019 which was ₹16.56 Lakhs.

## **Depreciation and Amortization Expenses**

There was a decrease at 24.11% in Depreciation from ₹4.48 Lakhs in the Financial Year 2018-2019 to ₹3.40 Lakhs in the Financial Year 2019-2020.

## **Other Expenses**

Our Company has incurred ₹444.68 Lakhs in the Financial Year 2019-2020 on Other Expenses as compared to ₹306.86 Lakhs in the Financial Year 2018-2019 which accounted for an increase of 44.91% in other expenses in the Financial Year 2019-2020.

## **Profit/ (Loss) After Tax**

For the Financial Year 2019-2020 the profit stood at ₹39.37 Lakhs as against the profit of ₹19.65 Lakhs for the Fiscal 2019 which accounted for an increase in PAT by 100.36% for Financial Year 2018-2019.

## **Financial Year 2018-2019 compared with Financial Year 2017-2018**

### **Revenue**

Our company recorded a total revenue of ₹2000.28 Lakhs for the Financial Year 2018-2019 a decrease in revenue accounting for 13.54% over the total revenue of ₹2313.50 Lakhs in the Financial Year 2017-2018. The EBITDA and PAT margin of the company in the Financial Year 2018-2019 was 2.39% and 0.98% as compared to 2.02% and 0.70% in the Financial Year 2018-2019.

### **Revenue from Operations**

Our revenue from operations increased by ₹1999.83 Lakhs in the Financial Year 2018-2019 a decrease 13.54% over of the ₹2313.04 Financial Year 2017-2018.

### **Other Income**

Our other income for the Financial Year 2018-2019 was ₹0.44 Lakhs as compared to ₹0.46 Lakhs recorded in Financial Year 2017-2018 representing a decrease of 4.35%.

### **Expenditure**

#### **Total Expenses**

The total expenditure for the Financial Year 2018-2019 and the Financial Year 2017-2018 are ₹1973.57 Lakhs and ₹2291.54 Lakhs respectively, representing a decrease of 13.88%.

### **Cost of Material Consumed**

The Cost of Materials consumed the Financial Year 2018-2019 was ₹1976.78 Lakhs an increase of 12.97% as compared to the previous year cost of materials consumed of ₹1749.76 Lakhs in the Financial Year 2017-2018.

### **Change in Inventories**

The changes in inventories in the Financial Year 2018-2019 was negative ₹394.44 Lakhs which is negative 19.72% of total income, whereas in Financial Year 2017-2018 it was negative ₹160.95 Lakhs which is negative 6.96% of total revenue, representing a change of 345.07% over the Financial Year 2018-2019.

### **Employee Benefit Expenses**

Our Company has incurred ₹63.33 Lakhs as employee benefit expenses during the Financial Year 2018-2019 as compared to ₹61.99 Lakhs during the Financial Year 2017-2018. The increase is 2.16% as compared to previous year.

### Finance Cost

The finance cost for the Financial Year 2018-2019 was ₹16.56 Lakhs a decrease of 18.30% over the Financial Year 2017-2018 which was 20.27 Lakhs.

### Depreciation and Amortization Expenses

There was 1.10% decrease in Depreciation from ₹4.53 Lakhs in the Financial Year 2017-2018 to ₹4.48 Lakhs in the Financial Year 2018-2019.

### Other Expenses

Our Company has incurred ₹306.86 Lakhs during the Financial Year 2018-2019 on other expenses as compared to ₹294.04 Lakhs during the Financial Year 2017-2018 amounting to an increase of 4.36%.

### Profit/ (Loss) After Tax

For the Financial Year 2018-2019 the profit stood at ₹19.65 Lakhs as against the profit of ₹16.10 Lakhs for the Financial Year 2017-2018. The increase in PAT by 22.05% was majorly due to the factors mentioned above.

### Summary of cash Flows

(₹ in Lakhs)

| Particulars                                         | As at September<br>30, 2020 | As at March 31 |         |         |
|-----------------------------------------------------|-----------------------------|----------------|---------|---------|
|                                                     |                             | 2020           | 2019    | 2018    |
| Net Cash flow (used in)/ from operating activities: | 78.05                       | 145.36         | (57.61) | 91.93   |
| Net Cash flow (used in)/ from Investing Activities: | (112.72)                    | (168.91)       | (0.72)  | (16.93) |
| Net Cash flow (used in)/ from Financing Activities: | 327.96                      | 28.86          | 55.44   | (77.47) |
| Net Increase/ (decrease) in cash/ cash equivalents  | 293.30                      | 5.31           | (2.89)  | (2.46)  |
| Cash and Cash equivalents at the beginning          | 9.50                        | 4.20           | 7.09    | 9.55    |
| Cash and Cash equivalents at the end                | 302.81                      | 9.50           | 4.20    | 7.09    |

### Cash Flows from Operating Activities

#### Half year ended September 30, 2020

Our net cash received from operating activities for the half year period ended September 30, 2020 was ₹78.05 lakhs as compared to the net profit before income tax from continuing operations was ₹102.51 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

#### Financial Year 2019-2020

Our net cash received from operating activities for the financial year ended March 31, 2020 was ₹145.36 lakhs as compared to the net profit before income tax from continuing operations was ₹53.22 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

#### Financial Year 2018-2019

Our net cash received from operating activities for the financial year ended March 31, 2019 was negative ₹57.61 lakhs as compared to the net profit before income tax from continuing operations was ₹26.71 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

**Financial Year 2017-2018**

Our net cash received from operating activities for the financial year ended March 31, 2018 was ₹91.93 lakhs as compared to the net profit before income tax from continuing operations was ₹21.96 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

***Cash Flows from Investing Activities*****Half year ended September 30, 2020**

Our net cash used in investing activities for the half year period ended as on September 30, 2020 was negative ₹112.72 lakhs. This was on account of purchase of fixed assets.

**Financial Year 2019-2020**

Our net cash used in investing activities for the financial year ended March 31, 2020 was negative ₹168.91 lakhs. This was on account of purchase of fixed assets.

**Financial Year 2018-2019**

Our net cash used in investing activities for the financial year ended March 31, 2019 was negative ₹0.72 lakhs. This was on account of purchase of fixed assets.

**Financial Year 2017-2018**

Our net cash used in investing activities for the financial year ended March 31, 2018 was negative ₹16.93 lakhs. This was on account of purchase of fixed assets

***Cash Flows from Financing Activities*****Half year period ended September 30, 2020**

Our Net cash used in financing activities for the half year period ended September 30, 2020 was ₹327.96 lakhs. This was on account of proceeds from issue of shares, proceeds from loan and payment of interest and finance charges.

**Financial Year 2019-2020**

Our Net cash used in financing activities for the financial year ended March 31, 2020 was ₹28.86 lakhs. This was on account of proceeds from loan and payment of interest and finance charges.

**Financial Year 2018-2019**

Our Net cash used in financing activities for the financial year ended March 31, 2019 was ₹55.44 lakhs. This was on account of proceeds from Issue of shares and payment of interest and finance charges.

**Financial Year 2017-2018**

Our Net cash used in financing activities for the financial year ended March 31, 2018 was negative ₹77.47 Lakhs. This was on account of repayment of loans and interest and finance charges.

**Certain other disclosure****Increase in Equity Shares Capital**

The Equity Share capital of the Company increased from ₹61.00 Lakhs for the Financial Year 2017-2018 to ₹133.00 lakhs for the Financial Year 2018-2019 due to allotment of 72.00 Lakhs Equity Shares on preferential allotment basis on May 24, 2018.

The Equity Share capital of our Company increased from ₹133.00 Lakhs for the Financial Year 2019-2020 to ₹300.00 Lakhs for the half-year ended September 30, 2020 due to allotment of 1,94,186 Equity Shares on right issue basis on May 22, 2020, and allotment of 1475814 Lakhs Equity Shares on bonus issue basis at the ratio 1:0.97 on May 25, 2020.

### Changes in reserve and surplus

The following table depicts our increase in reserves and surplus for the last three Financial Years ending on March 31, 2020, 2019, 2018 and half-year ended September 30, 2020:

| Particulars        | As on September 30, 2020 | (Rs. In lakhs) |       |       |
|--------------------|--------------------------|----------------|-------|-------|
|                    |                          | As at March 31 |       |       |
|                    |                          | 2020           | 2019  | 2018  |
| Reserves & Surplus | 163.65                   | 87.85          | 48.48 | 28.83 |

### Related party transactions

We enter into various transactions with our Promoter/Promoter Group/ Key Managerial Personnel. For details on our related party transactions for Financial Years ending on March 31, 2020, 2019, 2018 and the half-year ending September 30, 2020, see Annexure 22 to the Restated Financial Statements in '**Financial Information**' on page 182 of the Draft Prospectus.

### Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation

## QUANTITATIVE AND QUALITATIVE DISCLOSURES

### Unusual or infrequent events or transactions.

Except as described in this Draft Prospectus, during the period under review there have been no events or transactions, which in our best judgement would consider unusual or infrequent on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "Significant Factors affecting our Results of Operations" and the uncertainties described in the section entitled '**Risk Factors**' beginning on page 23 of the Draft Prospectus.

To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes that could materially affect or are likely to affect income from continuing operations.

### Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Our Company has entered into a short-term rent agreement with Modern Food Industries for the purpose of seed processing at New Godown No.2, Gali No.10 and the said agreement is about to expire on March 31, 2021. We have installed and erected a seed processing plant at New Godown No.2, Gali No.10. We are also using their godown/ warehouses on rental basis and using plant & machinery at our own expenses at the said premises. Any event of disagreement between the parties to the lease agreements, or non-renewal of the lease agreements could result in cessation of seed processing activity, which could materially affect the business and impact the financial condition of our Company. Further if we are unable to receive any approval relating to this premises, we may suffer a disruption in carrying out the seed processing operations.

Our seed processing unit, located at Survey No. 262, Village Jaithal, Patwari Halka No.42 Teh. and District Ujjain, Madhya Pradesh, India are taken on lease by us from one of our Promoter Director, Lokendra Rajput. The said unit is situated on premises occupied on a lease basis, for a period of 18 years, pursuant to a lease agreement dated June

01, 2020. Pursuant to the execution of the said agreement, our Company has built-up a seed processing facility at its own cost and expenses for undertaking the processing of seeds at the said plant. As per the agreed terms and conditions, our Company shall be liable to bear the lease rentals on a monthly basis to our Promoter Director, Lokendra Rajput; whereas all the primary and other ancillary and incidental costs and expenses incurred by our Company for undertaking the seed processing facility shall be borne by our Company.

Our Company has entered into a custom seed processing agreement with M/s V.I.B Agritech for unloading raw materials, seed processing, and packing of seeds as agreed between the aforesaid parties in the custom seed processing agreement. In the event of disagreement between the parties to the agreement and cessation of operations at the seed processing facility, it could materially and adversely affect the processing operations which could impact the business at large; further there can be no assurance that the said agreement shall be renewed within time.

Except as mentioned above and other than as described in this Draft Prospectus, particularly in the section titled '*Risk Factors*' and this '*Management's Discussion and Analysis of Financial Position and Results of Operations*' beginning on page 23 and 205, respectively of this Draft Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our sales, revenues or income from continuing operations.

#### **Future relationship between cost and income**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies.

#### **Increase in net sales or revenue and Introduction of new products or services or increased in sales prices.**

Increase in revenue are by and large linked to increase in volume of business and inception of new varieties of products.

#### **Total Turnover of each major industry segment in which Company operated**

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops.

Relevant Industry data, as available, has been included in the section titled '*Industry Overview*' beginning on page 90 of the Draft Prospectus.

#### **Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment, except otherwise disclosed in this Draft Prospectus.

#### **Seasonality of Business**

Our business is seasonal in nature. Both raw material supplies and sales are seasonal, as our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depend on monsoon for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable. We recognize revenues only upon the sale of our products. Empirically, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period may not be necessarily comparable with preceding or succeeding reporting periods. Sometimes, even if there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

#### **Research and development (R & D) activities**

Our success depends heavily on our ability to identify and develop high quality products on a timely basis that

meet the evolving needs of our end consumers and that distinguish us from our competitors. Seed research and development covers a broad technological platform and technological advances are frequent, rapid and complex. The process for development of new hybrids and varieties of seeds is lengthy and costly. On an average, it takes three to five years, depending on the crop, for a proprietary hybrid to reach commercial viability. The success of new product offerings depends on several factors such as the ability to accurately anticipate and properly identify changing customer needs or industry trends, efficient use of research and development resources, timely launch, competitive pricing and our ability to innovate, develop and commercialize new products and to differentiate our products from those of our competitors. In particular, the breeding process for certain field crops and vegetables are more complex and time consuming, and we may require a long time to develop and commercialize new products. We thus cannot assure the timely development of new products to meet consumers' changing needs. If we are not able to adequately respond to such changes in time, our business may be adversely affected.

Research and development process involves the application of high level of technology. Our Company has outsourced the research and development activities for our Company to Lorven Biologics Private Limited. Our success depends on Lorven Biologics Private Limited, which is not under our control. Further, we cannot assure that we shall make enhanced research and development investments or continue the current level of research and development investments in our business, or that this investment will yield satisfactory results in terms of new and improved products, or will yield any results at all. For further information on the steps being taken by our Company against threats like piracy and theft of research and development and new innovations, please refer to the heading titled ***'Steps being taken by our Company against piracy and theft'*** under the section titled ***'Our Business'*** beginning on page 122 of this Draft Prospectus. Additionally, we cannot assure that a new product will be commercially successful. If we are unable to successfully develop and commercialize new, competitive products, our business, financial condition, results of operations and prospects could be materially and adversely affected.

### **Competitive conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titled ***'Our Business'*** beginning on page 122 of this Draft Prospectus.

## FINANCIAL INDEBTNESS

Set forth below, is a brief summary of our Company's borrowings as on March 11, 2021 together with a brief description.

| <b>Borrowings from</b>                 | <b>Purpose</b>                                                 | <b>Sanctioned Amount<br/>(₹ in Lakhs)</b> | <b>Outstanding Amount (In ₹)</b> |
|----------------------------------------|----------------------------------------------------------------|-------------------------------------------|----------------------------------|
| Bank of Baroda Term Loan               | Construction of warehouse for storage of Agricultural products | 73.35                                     | 67,02,181.70                     |
| Bank of Baroda Term Loan               | Machine Room and Plant Machinery                               | 101.65                                    | 93,41,966.00                     |
| Axis Bank WHR Loan                     | Procurement of Seed Agro Produce                               | 500.00                                    | 1,73,81,625.00                   |
| Bank of Baroda                         | Working capital                                                | 700.00                                    | 6,85,51,038.75                   |
| Axis Bank                              | Business Loan                                                  | 20.00                                     | 19,03,493.00                     |
| Fullerton India Credit Company Limited | Business Loan                                                  | 20.00                                     | 18,45,205.00                     |
| ICICI Bank                             | Business Loan                                                  | 40.00                                     | 38,33,427.00                     |

## SECTION X – LEGAL AND OTHER INFORMATION

---

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

***Except as stated below there are no outstanding:***

- A.** (i) criminal litigation (ii) actions taken by statutory or regulatory authorities (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action (iv) any direct and indirect tax liabilities; (v) material litigation(s) (as defined below); involving our Company, our Directors and our Promoters.

Our Board, in its meeting held on February 08, 2021, determined that outstanding legal proceedings involving our Company, Directors and Promoters and its group companies shall be considered material, if:

- (a) the potential financial liability/monetary claim by or against the Company, its directors, promoters, group companies, subsidiaries and joint ventures in any such pending matter(s) is 1% of the net profit after tax or 1% of net worth of the Company, whichever is higher, based on restated standalone summary statements of the Company;
- (b) any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation.
- B.** Outstanding material dues (as defined below) to creditors of our Company and dues to micro, small and medium enterprises and other creditors.

Our Board, in its meeting held on February 08, 2021, determined that in view of the nature and extent of outstanding dues and of the business operations undertaken by our Company, the dues owed by our Company to the micro, small and medium enterprises and other creditors exceeding 10% of the Company's trade payables for the last audited financial statements shall be considered as material dues for our Company. The details of outstanding dues to such micro, small and medium enterprises and other creditors shall be uploaded on the website <http://vardaanbiotech.com/> as required under the SEBI ICDR Regulations.

- C.** Except as mentioned below, Our Company, Promoter and/or Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by SEBI and no disciplinary action has been taken by SEBI or any stock exchange(s) against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened. There are no pending proceedings initiated against our Company for economic offences as well.

Further, none of the Promoters or Directors is / were Promoters or directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.



## **I. LITIGATIONS INVOLVING OUR COMPANY**

### **A. Litigations Against Our Company**

1. Criminal Matters: Nil
2. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
3. Litigation involving Tax Liabilities:
  - a) Direct Tax Liabilities: Nil
  - b) Indirect Taxes Liabilities: Nil
4. Other pending Litigations: *Nil*

### **B. Litigations Filed By Our Company**

1. Criminal Matters: Nil
2. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
3. Litigation involving Tax Liabilities: Nil
  - a) Direct Tax Liabilities: Nil
  - b) Indirect Taxes Liabilities: Nil
4. Other pending Litigations: Nil

## **II. LITIGATIONS INVOLVING OUR PROMOTERS**

### **A. Litigations Against Our Promoters**

1. Criminal Matters:
2. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
3. Disciplinary action including penalty imposed by SEBI/ Stock exchanges against the promoters in the last five financial years including any outstanding action: Nil
4. Litigation involving Tax Liabilities
  - a) Direct Tax Liabilities: Nil
  - b) Indirect Taxes Liabilities: Nil
5. Other pending Litigations: Nil

### **B. Litigations Filed By Our Promoters**

1. Criminal Matters: Nil
2. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
3. Litigation involving Tax Liabilities
  - a) Direct Tax Liabilities: Nil

- b) Indirect Taxes Liabilities: Nil
- 4. Other pending Litigations: Nil

### **III. Litigations Involving Our Directors Other Than Promoters**

#### **A. Litigations Against Our Directors**

- 1. Criminal Matters: Nil
- 2. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
- 3. Litigation involving Tax Liabilities
  - a) Direct Tax Liabilities: Nil
  - b) Indirect Taxes Liabilities: Nil
- 4. Other pending Litigations: Nil

#### **B. Litigations Filed By Our Directors**

- 1. Criminal Matters: Nil
- 2. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil
- 3. Litigation involving Tax Liabilities
  - a) Direct Tax Liabilities: Nil
  - b) Indirect Taxes Liabilities: Nil
- 4. Other pending Litigations: Nil

### **MATERIAL DUES OWED TO MICRO, SMALL AND MEDIUM ENTERPRISES AND OTHER CREDITORS**

As on March 31, 2020, our Company owes the following amounts to Micro, Small and Medium enterprises and other creditors:

(₹ in Lakhs)

| <b>Particulars</b>                             | <b>No. of Creditors</b> | <b>Amount Involved</b> |
|------------------------------------------------|-------------------------|------------------------|
| Micro, Small and Medium Enterprises            | 11                      | 9.48                   |
| Other creditors (Including material creditors) | 31                      | 69.33                  |
| Material dues to creditors                     | N.A                     | N.A                    |

Complete details about outstanding over dues to material creditors along with name and the amount involved for each such material creditor as on March 31, 2020 are available on the website of the Company at <http://vardaanbiotech.com/>

### **MATERIAL DEVELOPMENTS**

In the opinion of the Board, there have been no material developments, since the date of the last balance sheet, included in this Draft Prospectus, which affects the business and profitability of our Company.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and various other government agencies/ regulatory authorities/ certification bodies required to undertake this issue and to continue our present business activities.

In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the below approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see the section titled **‘Key Industry Regulations and Policies’** at page 145 of this Draft Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### I. APPROVALS FOR THE ISSUE

#### A. Corporate Approvals

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on February 08, 2021 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1) (c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held February 12, 2021 authorized the Issue.

#### B. Approval from the Stock Exchange

In-principle approval dated [●] from stock exchange for using the name of the Exchange in its offer documents for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### C. Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated January 06, 2021 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Purva Share registry (India) Private Limited for the dematerialization of its Equity Shares.
2. Similarly, the Company has also entered into an agreement dated January 20, 2021 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Purva Share registry for the dematerialization of its Equity Shares.
3. The International Securities Identification Number (ISIN) of our Company is INE0GC401011.

## II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

- A. Certificate of Incorporation dated December 20, 2007 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh in the name of “Vardaan Biotech Private Limited”.
- B. Certificate of Incorporation dated January 15, 2021 issued by the Registrar of Companies, Gwalior, Madhya Pradesh in the name of “Vardaan Biotech Limited” pursuant to conversion of Company from Private to

Public.

C. The Corporate Identification Number (CIN) of our Company is U15495MP2007PLC020132.

### III. GENERAL APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. Business and Industry Specific Approvals

| Sr. No. | Description                                                            | Applicable laws                                 | Issued By                                                                       | Registration Number                | Date of Certificate | Date of Expiry           |
|---------|------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------|---------------------|--------------------------|
| 1.      | License to carry on the business of a dealer in seeds in Telangana     | Seeds (Control) Order, 1983;                    | Additional Director of Agriculture                                              | MLKG/ null/ ADDL. DA/CSL/2017/1553 | 15/03/2017          | 14/03/2020               |
| 2.      | License to carry on the business of a dealer in seeds in Chhattisgarh  | Seeds (Control) Order, 1983                     | Additional Director of Agriculture                                              | 148/113                            | 05/03/2015          | 04/03/2021               |
| 3.      | License to carry on the business of a dealer in seeds in Bihar         | Seeds (Control) Order, 1983                     | Additional Director of Agriculture                                              | 31/2017                            | 12/09/2017          | 11/09/2020               |
| 4.      | License to carry on the business of a dealer in seeds in Jharkhand     | Seeds (Control) Order, 1983                     | Additional Director of Agriculture                                              | DA/S- 53                           | 25/10/2018          | 23/05/2021               |
| 5.      | License to carry on the business of a dealer in seeds in Ujjain        | Seeds (Control) Order, 1983                     | Office of Deputy Director of Agriculture                                        | 1039                               | 24/10/2008          | 31/03/2025               |
| 6.      | License to carry on the business of a dealer in seeds in Jaipur        | Seeds (Control) Order, 1983                     | Additional Director of Agriculture                                              | 22                                 | 22/05/2020          | 29/03/2023               |
| 7.      | License to carry on the business of a dealer in seeds in Maharashtra   | Seeds (Control) Order, 1983                     | Chief Quality Control Officer Commissionerate of Agriculture, Pune, Maharashtra | LCSD10010221                       | 05/02/2021          | 04/02/2026               |
| 8.      | License to carry on the business of a dealer in seeds in Uttar Pradesh | Seeds (Control) Order, 1983                     | Licensing Authority, Uttar Pradesh                                              | 346/34570/070                      | 04/02/2016          | 02/02/20222              |
| 9.      | Registration certificate of Establishment                              | MP Shops & Establishment Act,1958               | Senior Inspector under MP Shops and Establishment Act, 1958                     | C/1272260                          | 28/02/2020          | Valid until cancellation |
| 10.     | ISO 9001:2015 Certificate                                              | ISO 9001:2015                                   | ISO 9001:2015 Authority                                                         | 4649/QMS/0919                      | 30.09.2019          | 29/09/2022               |
| 11.     | Udyog Aadhaar                                                          | Ministry of Micro, Small and Medium Enterprises | Government of India                                                             | MP49B004903                        | 12/08/2017          | Valid until cancellation |

**B. Employee Related Laws**

| Sr. No. | Description                 | Applicable laws                                                   | Issued By                              | Registration Number | Date of Certificate | Date of Expiry           |
|---------|-----------------------------|-------------------------------------------------------------------|----------------------------------------|---------------------|---------------------|--------------------------|
| 1.      | Certificate of Registration | Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 | Employees' Provident fund organization | MPUJJ1816856000     | 05/12/2018          | Valid until cancellation |

**C. Taxation Laws**

| Sr. No. | Description                                   | Applicable laws                        | Authority                                                                           | Registration Number | Date of Certificate | Date of Expiry           |
|---------|-----------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------|---------------------|---------------------|--------------------------|
| 1.      | Permanent Account Number (PAN)                | Income Tax Act, 1961                   | Income Tax Department, Government of India                                          | AACCV7434J          | 20/12/2007          | Valid until cancellation |
| 2.      | Tax Deduction Account Number (TAN)            | Income Tax Act, 1961                   | Income Tax Department                                                               | BPLV01594F          | 15/01/2021          | Valid until cancellation |
| 3.      | Goods & Service Tax Registration Certificate  | Central Goods and Service Tax Act 2017 | Government of India                                                                 | 23AACCV7434J1Z8     | 01/07/2017          | Valid until cancellation |
| 4.      | Professional Tax certificate                  | Professional Tax Laws                  | State Government                                                                    | 79259017320         | 29/10/2020          | Valid until cancellation |
| 5.      | Certificate of Importer – Exporter Code (IEC) | Customs Act, 1962                      | Ministry of Commerce and Industry – Office of Jt. Director General of Foreign Trade | AACCV7434J          | 22/09/2018          | Valid until cancellation |

**D. INTELLECTUAL PROPERTY**

We do not have any intellectual property rights as on the date of the Draft Prospectus

**E. The details of the Domain name in the name of our company:**

| Domain name        | Sponsoring Registrar and IANA ID | Creation Date                          | Expiry Date |
|--------------------|----------------------------------|----------------------------------------|-------------|
| vardaanbiotech.com | 1903747636_DOMAIN_COM-VRSN       | 18/02/2015<br>Updated date: 17/02/2021 | 18/02/2023  |

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue in terms of this Draft Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated February 08, 2021 and by the shareholders pursuant to the special resolution passed in Extra-Ordinary General Meeting dated February 12, 2021 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled **‘Government and Other Approvals’** beginning on page 225 of this Draft Prospectus.

Our Company has obtained in-principle approval from the SME platform of the NSE (NSE EMERGE) for using its name in the Draft Prospectus pursuant to an approval letter dated [●], NSE Limited is the Designated Stock Exchange.

### IN-PRINCIPLE LISTING APPROVALS

Our Company has obtained in-principle approval from EMERGE by way of its letter dated [●] to use the name of NSE EMERGE in this Draft Prospectus for listing of its Equity Shares on the NSE EMERGE. NSE EMERGE is the Designated Stock Exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, our Directors, our Promoters, Promoter Group, our Directors or the persons in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or director.

Further none of our Promoters or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of the Promoters or the persons in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled **‘Outstanding Litigation and Material Developments’** beginning on page 222 of this Draft Prospectus.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Prospectus.

## ELIGIBILITY FOR THE ISSUE

Our Company is not ineligible in terms of Regulation 228 and Regulation 230(1) of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an 'unlisted issuer' in terms of the SEBI (ICDR) Regulations; and this Issue is an 'Initial Public Issue' in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229 (1) of the SEBI (ICDR) Regulations, and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue paid up Equity Share capital is less than or equal to ₹10.00 Crores and we may hence, issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the 'Emerge Platform of NSE Limited (NSE EMERGE)').

### We confirm that:

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue is 100.00% (Hundred Percent) underwritten and shall not be restricted to minimum subscription level. The Lead Manager to the Issue shall underwrite minimum 15.00% (Fifteen Percent) of the total Issue Size. For further details, pertaining to said underwriting please refer to the paragraph titled '**Underwriting**' under the section titled '**General Information**' on page 58 of this Draft Prospectus.

In accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

We have filed this Draft Prospectus with stock exchange. In accordance with Regulation 246 the SEBI (ICDR), Regulations, the copy of Draft Prospectus shall also be submitted to SEBI. However, SEBI shall not issue any observations on our Draft Prospectus.

In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager to the Issue and Market Maker to ensure compulsory market making for a minimum period of three (3) years from the date of listing of Equity Shares on NSE Emerge. For further details of the arrangement of market making please refer to the paragraph titled '**Details of the Market Making Arrangements for this Issue**' under the section titled '**General Information**' on page 58 of this Draft Prospectus. The post-issue paid up Equity Share capital of our Company shall not be more than ₹25.00 Crore. The post-issue paid-up Equity Share capital of our company shall be ₹408.80 Lakhs.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

## NSE ELIGIBILITY NORMS

### ***The company is incorporated under the Companies Act, 1956.***

Our Company was incorporated as 'Vardaan Biotech Private Limited' pursuant to a Certificate of Incorporation dated December 20, 2007 issued by the Registrar of Companies, Madhya Pradesh and Chattisgarh, as a private company under the provisions of the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of our Company was changed from 'Vardaan Biotech Private Limited' to 'Vardaan Biotech Limited' vide special resolution passed by the shareholders of the Company at the extraordinary general meeting held on January 05, 2021 and a fresh certificate of incorporation dated January 15, 2021 was issued by Registrar of Companies, Gwalior.

***The post-issue paid-up equity share capital of the company shall not be more than ₹25.00 Crore.***

The post-Issue paid-up Equity Share capital of our Company will be 40,88,000 Equity Shares aggregating to ₹408.80 Lakhs which is less than ₹25.00 Crores.

***The company should have track record of atleast 3 years.***

The track record of our Company as per the Restated Financial Statements for the six-months ending September 30, 2020, and for the Financial Years 2019-2020, 2018-2019, and 2017-2018 is as set forth below:

(₹ in Lakhs)

| Particulars                               | Period ended<br>September 30, 2020 | Financial Years |           |           |
|-------------------------------------------|------------------------------------|-----------------|-----------|-----------|
|                                           |                                    | 2019-2020       | 2018-2019 | 2017-2018 |
| Net Profit after Income Tax (as Restated) | 75.80                              | 39.37           | 19.65     | 16.10     |

#### ***Positive Cash Accruals***

Our Company has positive cash accruals on the basis of restated financial (earnings before depreciation and tax) from operations for atleast 2 Financial Years preceding, below are the details:

(₹ in Lakhs)

| Particulars                                                              | Period ended<br>September<br>30, 2020 | Financial Years |              |              |
|--------------------------------------------------------------------------|---------------------------------------|-----------------|--------------|--------------|
|                                                                          |                                       | 2019-2020       | 2018-2019    | 2017-2018    |
| Profit before tax                                                        | 102.51                                | 53.22           | 26.71        | 21.96        |
| Add: Depreciation                                                        | 5.83                                  | 3.40            | 4.48         | 4.53         |
| Less: Other Income                                                       | 4.18                                  | 5.23            | 0.44         | 0.46         |
| <b>Positive Cash Accruals<br/>(Earnings before depreciation and tax)</b> | <b>104.16</b>                         | <b>51.39</b>    | <b>30.75</b> | <b>26.03</b> |

#### ***Positive Networth***

The Net worth (excluding revaluation reserves) of our Company is positive as per the latest audited financial results and we have a positive cash accrual (earnings before depreciation and tax) from operations for at least 2 Financial Years.

***Net tangible assets shall not be less ₹3.00 crores.***

As per restated financial statement for the Financial Year 2019-2020, the net tangible assets of our Company are ₹216.40 Lakhs as for the Financial Year 2019-2020. So, the company has fulfilled the criteria of minimum net tangible assets.

***It is mandatory for a company to have a website.***

Our Company has website i.e. [www.vardaanbiotech.com](http://www.vardaanbiotech.com)

***It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.***

Our Company shall mandatorily facilitate trading in demat securities and have entered into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited dated January 20, 2021 and National Securities Depository Limited dated January 06, 2021 for establishing connectivity.

Our Company has not been referred to the Board for Industrial and Financial Reconstruction.

There is no winding up petition against our Company that has been admitted by the Court, nor a liquidator has been appointed of competent jurisdiction against our Company.



There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE Emerge.

The provisions of Regulation 25 (4), Regulation 25 (5), Regulation 25 (2), Regulation 99, Regulation 4, Regulation 6(1), Regulation 103 and Regulation 47 (2) of SEBI (ICDR) Regulations, 2018 shall not apply to us in this Issue.

We confirm that we comply with all the above requirements/ conditions so as to be eligible to be listed on NSE EMERGE.

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations. Further, no exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, with respect to this Issue.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of the Draft Prospectus

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)/ STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI/ STOCK EXCHANGE. SEBI/ STOCK EXCHANGE DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER TO THE ISSUE, CAPITAL SQUARE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER TO THE ISSUE, CAPITAL SQUARE ADVISORS IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER TO THE ISSUE HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 12, 2021 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ISSUE TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS ETC FRAMED/ ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- C. THE MATERIAL DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID;**
  - 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS - NOTED FOR COMPLIANCE;**
  - 5) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS;**
  - 6) WE CERTIFY THAT REGULATION 237 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS;**
  - 7) WE UNDERTAKE THAT SUB-REGULATION (2) OF REGULATION 236 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE 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 ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE;**
  - 8) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE;**
  - 9) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER**

OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;

10) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:

A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

11) 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, 2018 WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE;

12) 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, PROMOTERS EXPERIENCE, ETC;

13) 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, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;

14) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.;

15) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER TO THE ISSUE IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY;

2) WE CONFIRM THAT THE ABRIDGED PROSPECTUSS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.- NOTED FOR COMPLIANCE;

3) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN;

- 4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER- NOTED FOR COMPLIANCE;**
- 5) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND REGULATION 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, HAVE BEEN MADE- NOTED FOR COMPLIANCE;**
- 6) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE DRAFT PROSPECTUS WITH THE REGISTRAR OF COMPANIES AND WITH THE SME EXCHANGE;**

**TABLE 1****DISCLOSURE OF PRICE INFORMATION OF PAST ISSUE HANDLED BY MERCHANT BANKER**

| Sr. no | Issue Name                               | Issue Size<br>(₹ Cr.) | Issue Price<br>(₹) | Listing Date        | Opening Price<br>on Listing date | +/- % change in<br>closing price, [+/- %<br>change in closing<br>benchmark]- 30 <sup>th</sup><br>calendar days from<br>listing | +/- % change in<br>closing price, [+/- %<br>change in closing<br>benchmark]- 90 <sup>th</sup><br>calendar days from<br>listing | +/- % change in<br>closing price, [+/- %<br>change in closing<br>benchmark]- 180 <sup>th</sup><br>calendar days from<br>listing |
|--------|------------------------------------------|-----------------------|--------------------|---------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Veer Global<br>Infraconstruction Limited | 4.92                  | 28.00              | October 19,<br>2020 | 31.00                            | -6.45% [2.15%]                                                                                                                 | 54.68% [4.32%]                                                                                                                 | NA                                                                                                                              |
| 2.     | Vaxtex Cotfab Ltd                        | 3.83                  | 24.00              | January 13,<br>2020 | 24.10                            | -16.67% [2.51%]                                                                                                                | -28.33% [-18.35%]                                                                                                              | -4.17% [-7.16%]                                                                                                                 |
| 3.     | City Pulse Multiplex<br>Limited          | 3.98                  | 30.00              | July 11, 2019       | 28.50                            | -1.17% [-6.33%]                                                                                                                | -6.67% [0.17%]                                                                                                                 | -24.00% [2.76%]                                                                                                                 |

**TABLE 2****SUMMARY STATEMENT OF DISCLOSURE**

| Financial<br>Year | Total<br>No. of<br>IPOs | Total<br>Amount<br>of fund<br>raised<br>(₹ in Cr.) | No. of IPOs trading at<br>discount - 30 <sup>th</sup> Calendar<br>days from listing |                         |                     | No. of IPOs trading at<br>premium - 30 <sup>th</sup> days from<br>the listing |                         |                     | No. of IPOs trading at<br>discount -180 <sup>th</sup> days from<br>the listing |                         |                     | No. of IPOs trading at discount -180 <sup>th</sup><br>days from the listing |                      |                  |
|-------------------|-------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------|---------------------|-------------------------------------------------------------------------------|-------------------------|---------------------|--------------------------------------------------------------------------------|-------------------------|---------------------|-----------------------------------------------------------------------------|----------------------|------------------|
|                   |                         |                                                    | Over<br>50%                                                                         | Between<br>25% -<br>50% | Less<br>than<br>25% | Over<br>50%                                                                   | Between<br>25% -<br>50% | Less<br>than<br>25% | Over<br>50%                                                                    | Between<br>25% -<br>50% | Less<br>than<br>25% | Over<br>50%                                                                 | Between 25%<br>- 50% | Less than<br>25% |
| 2019 -<br>2020    | 2                       | 7.81                                               | NA                                                                                  | NA                      | 2                   | NA                                                                            | NA                      | NA                  | NA                                                                             | NA                      | 2                   | NA                                                                          | NA                   | NA               |
| 2020-<br>2021     | 1                       | 4.92                                               | NA                                                                                  | NA                      | 1                   | NA                                                                            | NA                      | NA                  | NA                                                                             | NA                      | NA                  | NA                                                                          | NA                   | NA               |

Source: <https://www.bseindia.com/index.html> (BSE SME) and <https://www.nseindia.com/> (NSE Emerge)

The filing of the Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 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 Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager to the Issue any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Gwalior, in terms of Section 26, Section 32 and Section 33 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER TO THE ISSUE**

Our Company and the Lead Manager to the Issue accept no responsibility for statements made otherwise than those contained in the Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager to the Issue accepts no responsibility, save to the limited extent as, provided in the Issue Agreement entered between the Lead Manager to the Issue and our Company on February 12, 2021 and the Underwriting Agreement dated [●], 2021 entered into between the Underwriters and our Company and the Market Making Agreement dated [●], 2021 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Issue to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager to the Issue may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **CAUTION**

Applicants who apply in the Issue will be required to confirm and will be deemed to have represented to our Company 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 Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company.

The Draft Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue, will be subject to jurisdiction of the competent court(s) only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and the Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE I.E. NSE EMERGE**

As required, a copy of this Draft Prospectus has been submitted to NSE Emerge. NSE Emerge has given vide its letter [●] dated [●] permission to the Issuer to use the its's name in this Draft Prospectus on which our Company's Equity Shares are proposed to be listed. NSE Emerge has scrutinized Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by NSE Emerge should not in any way be deemed or construed that the Draft Prospectus has been cleared or approved by NSE Emerge; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that our Company's Equity Shares will be listed or will continue to be listed on the stock exchange; nor does it take any responsibility for the financial or other soundness of our Company, its Promoter, its management or any scheme or project of this our Company.

Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the stock exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended, or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of 'U.S. persons' (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING**

This Draft Prospectus is being filed with NSE EMERGE, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai- 400 051, Maharashtra, India.

In accordance with Regulation 246 (5) the SEBI (ICDR), Regulations, the soft copy of Draft Prospectus shall also be submitted to SEBI at Plot No. C 4- A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East,

Mumbai, Maharashtra 400051 India, simultaneously with the NSE SME Platform. However, SEBI shall not issue any observations on our Draft Prospectus.

A copy of the Draft 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, Gwalior, [●], India.

## LISTING

The Equity Shares of our Company are proposed to be listed on NSE EMERGE platform of the NSE. Our Company has obtained in-principle approval from NSE Emerge by way of its letter dated [●] for listing of equity shares on Emerge Platform of NSE i.e. NSE Emerge.

NSE Emerge will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE Emerge, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge platform of the NSE Limited mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who-*

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable to action under section 447 of the Companies, Act 2013.”*

## CONSENTS

Consents in writing from our Directors, Promoters, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Key Managerial Personnel, Peer Review Auditor, Bankers to the Company, Lead Manager to the Issue, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue, to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013; and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such Consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, S.K.Khandelwal & Associates, Chartered Accountants, Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on **‘Statement of Possible Special Tax Benefits’** relating to the possible tax benefits and restated financial statements as included in the Draft Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Prospectus.

## EXPERTS OPINION



Except for the reports in the section '**Financial Information**' and '**Statement of Possible Special Tax Benefits**' beginning on page 182 and 88 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. For the sake of clarity, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act 1933.

## EXPENSES OF THE ISSUE

The Estimated Issue Expenses are as under:

| Activity                                                                                                                                                                                                                            | Expenses<br>(₹ in Lakhs) | % of Total<br>Estimated Issue<br>Expenditure | % of Issue<br>Size |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------|--------------------|
| Payment to the Lead Manager to the Issue including, Underwriting and Selling commissions, Brokerages, payment to other intermediaries such as Legal Advisors, Registrar to the Issue, Bankers etc. and other Out of Pocket Expenses | [•]                      | [•]                                          | [•]                |
| Printing and Stationery and Postage Expenses<br>Advertising and Marketing Expenses<br>Regulatory Fee and Expenses                                                                                                                   | [•]                      | [•]                                          | [•]                |
| <b>Total</b>                                                                                                                                                                                                                        | [•]                      | [•]                                          | [•]                |

### Fees, Brokerage and Selling Commission payable to the Lead Manager to the Issue

The total fees payable to the Lead Manager to the Issue will be as per the (i) Issue Agreement dated February 12, 2021 with the Lead Manager to the Issue, Capital Square Advisors Private Limited, (ii) the Underwriting Agreement dated [•], 2021 Underwriter Capital Square Advisors Private Limited and (iii) the Market Making Agreement dated [•], 2021 with Market Maker [•], a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Draft Prospectus until the Issue Closing Date.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of Applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated February 15, 2021 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket Expenses including cost of stationery, postage, stamp duty, and communication Expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in the Draft Prospectus or send allotment advice by registered post/speed post.

## PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Our Company has not made any previous public issue in India or abroad in the five (5) years preceding the date of the Draft Prospectus.

Except as disclosed, hereinafter our Company has not made any previous rights issue in India or abroad in the five (5) years preceding the date of the Draft Prospectus:

| Sr. No. | Date of allotment | Name of the Equity Shareholder | No. of Equity Shares allotted |
|---------|-------------------|--------------------------------|-------------------------------|
| (a)     | December 08, 2014 | Lokendra Rajput                | 2,00,000                      |
| (b)     | December 08, 2014 | Rashmi Rajput                  | 2,00,000                      |
| (c)     | May 22, 2020      | Lokendra Rajput                | 68,605                        |
| (d)     | May 22, 2020      | Rashmi Rajput                  | 79,070                        |
| (e)     | May 22, 2020      | Pushpa Rajput                  | 46,511                        |

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description, please refer to section titled '*Capital Structure*' beginning on page 67 of this Draft Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the Initial Public Issue of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Except as stated under section titled '*Capital Structure*' beginning on page 67 of this Draft Prospectus, our Company has not undertaken any previous public or rights issue.

Further, our Company does not have any group companies/ entities or associates, which are listed on any stock exchange.

### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

Our Company does not have any group/ associate companies, therefore, performance vis-à-vis object of last issue of group/ associate companies is not applicable.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds, or redeemable preference shares as on the date of filing the Draft Prospectus.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing the Draft Prospectus.

### **Option to Subscribe**

Equity Shares being issued through the Draft Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchanges.

### **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, 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 ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP-ID, Client-ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the Applicant shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (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 Srishti Jain as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Srishti Jain**

**Vardaan Biotech Limited**

C-2/1, Mahananda Nagar, Dewas Road, Ujjain,

Madhya Pradesh – 456010, India

**Telephone:** +91-734-2525903

**Email-ID:** [vardaanipo@gmail.com](mailto:vardaanipo@gmail.com)

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

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of the Draft Prospectus and hence there are no pending investor complaints as on the date of the Draft Prospectus.

#### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

#### **Change in Auditors during the last three (3) years.**

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

| <b>Particulars of previous Auditor</b>                                                                                                                                                                      | <b>Particulars of new Auditor</b>                                                                                                                                                                                                                                                    | <b>Effective Date</b> | <b>Reason</b>                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------|
| <b>Ankur Goyal And Company</b><br><b>Chartered Accountants</b><br>'Nandan' First Floor, L.M. Complex, Tower Chowk, Ujjain – 456010, Madhya Pradesh, India<br><b>Telephone No.:</b> 0734 2560313/ 9425195511 | <b>S.K.Khandelwal &amp; Associates</b><br><b>Chartered Accountants</b><br>211, Royal Ratan, 7, M.G. Road, Indore – 452 001, Madhya Pradesh, India<br><b>Telephone No.:</b> 0731- 2523373/ 4044666<br><b>Email-ID:</b> <a href="mailto:cashubhamk@gmail.com">cashubhamk@gmail.com</a> | November 27, 2020     | Auditor appointed in casual vacancy |

|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                         |  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>Email-ID:</b><br><a href="mailto:caankurgoyal@gmail.com">caankurgoyal@gmail.com/</a><br><a href="mailto:goyalandco@gmail.com">goyalandco@gmail.com</a><br><b>Contact Person:</b> Ankur Goyal<br><b>Membership No.:</b> 401685 | <b>Website:</b><br><a href="http://www.skcca.com/index.php">http://www.skcca.com/index.php</a><br><b>Contact Person:</b> S. K. Khandelwal<br><b>Firm Registration No.:</b> 002305C<br><b>Membership No.:</b> 071189<br><b>Peer Review Certificate Number:</b><br>012677 |  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

### Capitalization of Reserves or Profits

Except as disclosed under section titled '**Capital Structure**' beginning on page 67 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of the Draft Prospectus.

### Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled '**Statement of Possible Special Tax Benefits**' beginning on page 88 of this Draft Prospectus.

### Purchase of Property

Other than as disclosed under section titled '**Our Business**' beginning on page 122 of this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which: -

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/ or Directors have any direct or indirect interest in any payment made there under.

### Servicing Behaviour

Except as stated in the Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled '**Our Management**' and the section titled '**Financial Statement - Annexure 22 – Restated Summary of Related Party Transactions**' beginning on page 159 and 200 of this Draft Prospectus respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## SECTION XI – ISSUE INFORMATION

---

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018 and amendments thereto, our Memorandum of Association and Articles of Association, the terms of this Draft Prospectus, the SEBI (LODR) Regulations, Application Form, the Revision Form, the Confirmation of Allocation Note, the Listing Regulations to be entered into with the NSE Emerge and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI circular bearing reference number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by blocked Amount (ASBA) facility for making payment.*

*Further, pursuant to SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Retail Individual Investors applying in public issue shall have to use UPI as a payment mechanism for making application w.e.f July 01, 2019.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

This Issue of 10,88,000 Equity Shares has been authorized by our Board of Directors of our Company at their meeting held on February 08, 2021 and was subsequently approved by the shareholders of our Company by passing a special resolution at the Extra-Ordinary General Meeting held with a shorter notice on February 12, 2021 in accordance with the provisions of clause (c) of Sub-Section (1) of Section 62 of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued in this Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum of Association and Articles of Association of our Company and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottee's in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment.

For further details, please refer to the section titled '**Description of Equity Shares and Terms of Articles of Association**' beginning on page 301 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend shall be as in accordance with the provisions of Companies Act, 2013, SEBI (LODR) Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act, 2013, SEBI (LODR) Regulations and our Articles of Association. For further details, please refer to the section titled '**Dividend Policy**' beginning on page 181 of this Draft Prospectus.

#### **Face Value and Issue Price per Share**

The face value of the Equity Shares is ₹10.00/- each and the Issue Price is ₹[●]/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled ***‘Basis of the Issue Price’*** beginning on page 86 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive annual reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the listing regulations with the stock exchange(s) and the Memorandum of Association and Articles of Association of our Company

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled ***‘Description of Equity Shares and Terms of Articles of Association’*** beginning on page 301 of this Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per Section 29 of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through the Issue will be done in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular bearing reference CIR/MRD/DSA/06/2012 dated February 21, 2012. Allocation and Allotment of Equity Shares through the Issue will be done in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares to the successful Applicants.

### **Minimum Number of Allottee’s**

The minimum number of Allottee’s in the Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective Allottee’s is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of Issue.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Gwalior, Madhya Pradesh, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation(s) under the Securities Act and the applicable laws of the jurisdictions where those offers, and sales occur.

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

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act 2013, the sole or first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of death of the sole Applicant or in case of joint Applicant, death of all the Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. No provision in the Application Form to provide this. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) To register himself or herself as the holder of the Equity Shares; or
- b) To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in this Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

## **Withdrawal of the Issue**

In accordance with the SEBI (ICDR) Regulations, our Company, in consultation with Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days of the Issue Closing date by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI (ICDR) Regulations, QIB and NII Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

### Issue Program

| Event                                                                 | Indicative Date |
|-----------------------------------------------------------------------|-----------------|
| Issue Opening Date                                                    | [●]             |
| Issue Closing Date                                                    | [●]             |
| Finalization of Basis of Allotment with the Designated Stock Exchange | [●]             |
| Unblocking of Funds                                                   | [●]             |
| Credit of Equity Shares to demat accounts of Allottees                | [●]             |
| Commencement of trading of the Equity Shares on the Stock Exchange    | [●]             |

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, revision of the price band or any delays in receiving the final listing and trading approval from the stock exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the stock exchange and in accordance with the applicable laws.

Applications and revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches, except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI (ICDR) Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investors can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.



## Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level. This Issue is 100% (Hundred Percent) underwritten.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, the Issue shall be 100.00% (Hundred Percent) underwritten. Thus, the underwriting obligations shall be for the entire 100.00% (Hundred Percent) of the Issuer through this Draft Prospectus and shall not be restricted to the minimum subscription level.

If the issuer does not receive the subscription of 100.00% (Hundred Percent) of the Issue through this Draft Prospectus including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest as prescribed in the Companies Act.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum number of Allottee's in the Issue shall be 50 (Fifty) shareholders and the minimum application size as required by with Regulation 267(2) of the SEBI (ICDR) Regulations in terms of number of specified securities shall not be less than Rupees One Lakhs per application. In case the minimum number of prospective Allottee's is less than 50 (Fifty), no Allotment will be made pursuant to the Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, Our Company may migrate to the main board of NSE from the EMERGE Platform of NSE on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

Or

- b) If the Paid up Capital of the company is more than ₹10 Crores but below ₹25 Crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## Market Making

The Equity Shares offered though the Issue are proposed to be listed on the NSE Emerge, wherein the Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to paragraph titled '*Details of the Market Making Arrangement for the Issue*' under section titled '**General Information**' beginning on page 58 of this Draft Prospectus.

## Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire

shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge.

**As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**Option to receive Equity Shares in Dematerialized Form**

As per Sub-Section (1) of Section 29 of the Companies Act, 2013, all the shares shall be issued in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the regulations made there under, thus, the investors should note that Allotment of Equity Shares to all successful applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

**New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through the Issue.

**Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**Restrictions, if any, on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-issue Equity Shares and Promoters' Minimum Contribution in the Issue as detailed in the section titled '**Capital Structure**' beginning on page 67 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details please refer to the section titled '**Description of Equity Shares and Terms of Articles of Association**' beginning on page 301 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Sub-Regulation (1) of Regulation 229 of Chapter IX of SEBI (ICDR) Regulations whereby, our post-Issue face value Equity Share capital is not more than ₹10,00,00,000/- (Rupees Ten Crore Only). The Company shall issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange, in this case being the NSE Emerge. For further details regarding the salient features and terms of such Issue, please refer to the section titled '*Terms of the Issue*' and '*Issue Procedure*' beginning on page 243 and 252 of this Draft Prospectus.

Public Issue of up to 10,88,000 (Ten Lakhs Eighty-Eight Thousand) Equity Shares for cash at a price of ₹[●]/- (including a premium of ₹[●]/-) aggregating to ₹[●] Lakhs. The Issue comprises a Net Issue to the public of [●] Equity Shares. The Issue and Net Issue will constitute [●]% and [●]% of the post issue paid-up Equity Share capital of our Company.

This Issue comprises a reservation of [●] ([●]) Equity Shares for subscription by the designated Market Maker.

This Offer is being made through Fixed Price Process.

### Following is the Issue Structure

| Particulars                                       | Market Maker<br>Reservation Portion                                                                                                                                                                                                                                                                                             | Net Issue to the Public*                                                                                                                                                                                      |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of Equity Shares available for allocation  | Up to [●] Equity Shares                                                                                                                                                                                                                                                                                                         | Up to [●] Equity Shares                                                                                                                                                                                       |
| Percentage of Issue Size available for allocation | [●]% of Issue Size                                                                                                                                                                                                                                                                                                              | [●]% of Issue Size                                                                                                                                                                                            |
| Basis of Allotment                                | Proportionate subject to minimum Allotment of [●] Equity Shares and further Allotment in multiples of [●] Equity Shares each.<br><br>For further details please refer to the Paragraph titled ' <i>Basis of Allotment</i> ' under the section titled ' <i>Issue Procedure</i> ' beginning on page 252 of this Draft Prospectus; |                                                                                                                                                                                                               |
| Mode of Application                               | Through ASBA Process Only                                                                                                                                                                                                                                                                                                       | Through ASBA Process Only                                                                                                                                                                                     |
| Minimum Application Value                         | Up to [●] Equity Shares                                                                                                                                                                                                                                                                                                         | For QIB and NII:<br>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹2,00,000.<br><br>For Retail Individuals:<br>[●] Equity Shares                     |
| Maximum Application Size                          | Up to [●] Equity Shares                                                                                                                                                                                                                                                                                                         | For QIB and NII:<br>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size does not exceed up to [●] Equity Shares<br><br>For Retail Individuals:<br>[●] Equity Shares |
| Mode of Allotment                                 | Dematerialized Form                                                                                                                                                                                                                                                                                                             | Dematerialized Form                                                                                                                                                                                           |
| Trading Lot                                       | [●] Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations                                                                                                                                                                                                 | [●] Equity Shares                                                                                                                                                                                             |
| Terms of Payment                                  | The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI mechanism) at the time of the submission of the Application Form                                                                                           |                                                                                                                                                                                                               |

|                      |                                                                                                                                                                                                                                                                                                                              |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Application Lot Size | [●] Equity Share and in multiples of [●] Equity Shares thereafter                                                                                                                                                                                                                                                            |
| Terms of payment     | In case of ASBA, the entire Application Amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an compulsory payment mechanism for Retail Individual Investors, Application amount shall be blocked at the time of confirmation of mandate collection request by applicant |

*\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the Allocation' is the net issue to the public category shall be made as follows:*

1. Minimum 50.00% (Fifty Percent) to Retail Individual Investors; and
2. Remaining to:
  - (a) Individual applicants other than Retail Individual Investors; and
  - (b) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
3. The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the Retail Individual Investor category is entitled to more than 50.00% (Fifty Percent) on proportionate basis, accordingly the Retail Individual Investors shall be allocated that higher percentage.

Note:

In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names.

The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders. Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager to the Issue, reserves the right not to proceed with this Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager to the Issue, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering/Issue of Equity Shares, the Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

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

## ISSUE PROGRAMME

|                           |   |     |
|---------------------------|---|-----|
| <b>Issue Opening Date</b> | : | [●] |
| <b>Issue Closing Date</b> | : | [●] |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants should review the General Information Document, for investing in public issues prepared and issued in accordance with the SEBI circulars, including circular bearing reference number 'CIR/CFD/DIL/12/2013' dated October 23, 2013 notified by SEBI, modified and updated pursuant to, among others, the SEBI circular bearing reference number 'CIR/CFD/POLICYCELL/11/2015' dated November 10, 2015, the SEBI circular bearing reference number 'CIR/CFD/DIL/1/2016' dated January 1, 2016, SEBI circular bearing number 'SEBI/HO/CFD/DIL/CIR/P/2016/26' dated January 21, 2016, SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2018/22' dated February 15, 2018, SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2018/138' dated November 01, 2018, SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2019/50' dated April 03, 2019, SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2019/85' dated July 26, 2019, and SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (hereinafter referred to as '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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to public issue. The General Information Document shall be made available on the website of the Stock Exchange, the Company and the Lead Manager before opening of the Issue Period. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner.

From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, with respect to by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of 3 (Three) months or launch of 5 (Five) main board public issues, whichever is later (hereinafter referred to as '**UPI Phase II**'). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for Bids by RIBs (hereinafter referred to as '**UPI Phase II**'), as may be prescribed by SEBI. Further SEBI through its circular bearing reference number 'SEBI/HO/CFD/DCR2/CIR/P/2019/133' dated November 08, 2019 has extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID- 19 pandemic, SEBI vide its circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/50' dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for Applications by RIIs (hereinafter referred to as '**UPI Phase III**') and modalities of the implementation of UPI Phase III may be notified and made effective subsequently, as may be prescribed by SEBI. The issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this Section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application are submitted in accordance with applicable laws and do not

exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Further, Our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for Application in this Issue.

Applicants should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. The Application Forms which do not have the details of the Applicants' depository account, including DP-ID, Client-ID, UPI-ID (in case of RIIs using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the IPO subject to applicable laws.

## **PHASED IMPLEMENTATION OF UPI FOR APPLICANTS BY RETAIL INDIVIDUAL INVESTORS AS PER THE UPI CIRCULAR**

SEBI has issued a circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2018/138' dated November 01, 2018, updated pursuant to the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2019/50' dated April 03, 2019 and SEBI circular bearing number 'SEBI/HO/CFD/DIL2/CIR/P/2019/76' dated June 28, 2019 (collectively, referred to as the 'UPI Circular') in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI is introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for Applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from 6 (Six) Working Days to up to 3 (Three) Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular has been introduced and implement the UPI payment mechanism in 3 (Three) phases in the following manner:

### **1. UPI Phase I**

This phase was become applicable from January 1, 2019 and was continued for a period of six months i.e. until June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his/ her UPI-ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be 6 (Six) Working Days.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular bearing reference number 'CIR/CFD/POLICYCELL/11/2015' dated November 10, 2015, as amended and modified by the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL/CIR/P/2016/26' dated January 21, 2016 and SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2018/22' dated February 15, 2018 and SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2018/138' dated November 01, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2019/50' dated April 03, 2019, SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2019/76' June 28, 2019, SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2019/85' dated July 26, 2019 and SEBI circular bearing reference number 'SEBI/HO/CFD/DCR2/CIR/P/2019/133' dated November 08, 2019.

With effect from July 01, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue will continue for a period of 3 (Three) months or launch of 5 (Five) main board public issues, whichever is later (UPI Phase II). Further pursuant to SEBI circular bearing reference number 'SEBI/HO/CFD/DCR2/CIR/P/2019/133' dated November 08, 2019, UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs UPI Phase III), as may be prescribed by SEBI.

### **2. UPI Phase II**

This phase has become applicable from July 1, 2019 and was to initially continue for a period of 3 (Three) months or floating of 5 (Five) main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Further, as per SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/50' dated March 30, 2020, the current UPI Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be 6 (Six) Working Days during this phase.

### **3. UPI Phase III**

The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to 3 (Three) Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism.

The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Investors into the UPI mechanism. For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

All SCSBs offering facility of making Application in public issues shall also provide facility to make Application using UPI payment. The issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Investor into the UPI mechanism.

This Issue may be amongst one of the few initial public issue in which the UPI Mechanism for application by RII is being permitted, the Company, and the Lead Manager are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

Retail Individual Investor making application using UPI shall use only his/ her own bank account or only his/ her own bank account linked UPI-ID to make an application in the Issue. The SCSBs upon receipt of the Bid cum Application Form will upload the Bid details along with the UPI-ID in the bidding platform of the Stock Exchanges. Applications made by the Retail Individual Investor using third party bank account or using UPI-IDs linked to the bank accounts of any third parties are liable for rejection. Bankers to the Issue shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Application details in the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investor with the Depositories.

### **STATUS OF SCSBS ON UPI**

Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

*Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI*

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.



Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.

## **FIXED PRICE ISSUE PROCEDURE**

This Issue is being made in compliance with the provisions of Sub-Regulation (2) of Regulation 229 of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50.00% of the Net Issue to Public is being offered to the Retail Individual Investor and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants.

However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors category where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Applicants should note that according to Sub-Section (1) of Section 29 of the Companies Act, 2013, the Equity Shares will be allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP-ID numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications 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 are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

## **APPLICATION FORM**

In terms of Regulation 256 of SEBI (ICDR) Regulations read with the SEBI circular bearing reference number '*CIR/CFD/POLICYCELL/11/2015*' dated November 10, 2015, and Unified Payments Interface introduced vide SEBI circular bearing reference number '*SEBI/HO/CFD/DIL2/CIR/P/2018/138*' dated November 01, 2018 all the potential investors shall participate in the issue only through an Application Supported by Blocked Amount process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks for the same. Retail Individual Investors should note that the Application using UPI channel is optional and they can make Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants pursuant to SEBI circular bearing reference number '*SEBI/HO/CFD/DCR2/CIR/P/2019/133*' dated November 08, 2019 where the timeline for implementation of UPI Phase II has been extended till March 31, 2020

Retail Individual Investors can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, NSE emerge([https://www1.nseindia.com/emerge/index\\_sme.htm](https://www1.nseindia.com/emerge/index_sme.htm)), at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process except as mentioned in the SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Investors wishing to apply through UPI Channel, may provide the

UPI-ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. Alternatively, investors can apply through UPI. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

| Category                                                                         | Colour |
|----------------------------------------------------------------------------------|--------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)** | White* |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**        | Blue*  |

\* Excluding electronic Application Form.

\*\* Application forms will also be available on the website of the NSE Emerge([https://www1.nseindia.com/emerge/index\\_sme.htm](https://www1.nseindia.com/emerge/index_sme.htm)). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI-ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following Intermediaries (Collectively called '**Designated Intermediaries**')

| Sr. No. | Designated Intermediaries                                                                                                                                             |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | An SCSB, with whom the bank account to be blocked, is maintained;                                                                                                     |
| 2.      | A syndicate member (or sub-syndicate member);                                                                                                                         |
| 3.      | A stock broker registered with recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker'); |
| 4.      | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity);                                         |
| 5.      | A registrar to an offer and share transfer agent ('RTA')(whose name is mentioned on the website of the stock exchange as eligible for this activity);                 |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as '**Intermediaries**'), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

|                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>For Applications submitted by investors to SCSB</b>                                                        | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.                                                                                                                                                                                                                                                                                                                                                             |
| <b>For applications submitted by investors to intermediaries other than SCSBs</b>                             | After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.                                                                                                                                                                                                                                                             |
| <b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b> | <p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange.</p> <p>Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.</p> |

Stock exchange shall validate the electronic bid details with depository's records for DP-ID/Client-ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP-ID/Client-ID or PAN (Either DP-ID/ Client-ID or PAN can be modified but not BOTH), Bank code and Location code, in the Application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

## **AVAILABILITY OF DRAFT PROSPECTUS AND APPLICATION FORMS**

The Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE Emerge i.e. [https://www1.nseindia.com/emerge/index\\_sme.htm](https://www1.nseindia.com/emerge/index_sme.htm)

## **WHO CAN APPLY?**

Each Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Application Form and GID for more details.

Subject to the above, an illustrative list of 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);
- Applications belonging to an account for the benefit of a minor (under guardianship);
- 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);
- 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 Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI (ICDR) Regulations and other laws, as applicable);
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrelative constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance companies registered with IRDAI;
- Mutual Funds registered with SEBI;
- FPIs other than Category III Foreign Portfolio Investor;
- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications should not to be made by:

- Minors (except through their Guardians);
- Partnership firms or their nominations;

- Foreign Nationals (except NRIs);
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (hereinafter referred to as the ‘**U.S. Securities Act**’) or the securities laws of any state of the United States 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 offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **1. For Retail Individual Investors**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Issue Price payable by the Applicant does not exceed ₹2,00,000.00/-. In case of revision of Applications, the Retail Individual Investors have to ensure that the Issue Price does not exceed ₹2,00,000.00/-. As the Issue Price payable by the Retail Individual Investors cannot exceed ₹2,00,000.00/-, they can make Application only for minimum Application size i.e. for [●] Equity Shares.

### **2. For Other than Retail Individual Investors (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000.00/- and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000.00/- for being considered for allocation in the Non-Institutional Portion.

### **3. Minimum Bid Lot:**

(a) Participation by Associates /Affiliates of Lead Manager and the Syndicate Members

The Lead Manager, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/ affiliates of the Lead Manager and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

(b) Participation by Associates /Affiliates of LM and the Syndicate Members

The Lead Manager, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the Lead Manager and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

(c) Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

(d) Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

(e) Applications by eligible NRIs on Repatriation Basis

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

(f) Applications by HUF

Application by Hindu Undivided Families or HUFs should be in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications by individuals.

(g) Applications by FPIs (Including FIIs)

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

(h) Applications by banking companies

In case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank’s own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

(i) Applications by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

(j) Applications by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI VCF Regulations and the SEBI FVCI Regulations, 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 Applicants 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 Applicants 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 or II 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 Prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

(k) Applications by limited liability partnerships



In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

(l) Applications by Insurance Companies

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the “IRDAI Investment Regulations”) are broadly set forth below:

- (i) Equity shares of a company: the lower of 10% of the outstanding Equity Shares (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;
- (ii) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (iii) The industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

(m) Applications by provident funds/ pension funds

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

(n) Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, FIIs, insurance companies Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million 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, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

(o) Applications by Systemically Important Non-Banking Financial Companies

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non- Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefore. Systemically Important Non- Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

## INFORMATION FOR THE APPLICANTS

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format;

2. Our Company will file the Prospectus with the RoC at least three (3) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange;
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office;
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications;
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected;
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account;
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system;
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person's resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants;
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected;

## **METHOD AND PROCESS OF APPLICATION**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period;
2. Before submission of the application with the intermediary, the RII would be required to have / create a UPI-ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname);
3. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days;
4. RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary;
5. The intermediary upon receipt of form will upload the bid details along with UPI-ID in the stock exchange bidding platform;

6. Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository;
7. Depository will validate the aforesaid bid details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any;
8. SMS from exchange to RII for bidding: Once the bid details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of bidding, the SMS may be sent out the next working day;
9. Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the bid details along with RIIs UPI-ID, with the Sponsor Bank appointed by the issue;
10. The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment;
11. The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / mobile app, associated with UPI ID linked bank account;
12. The RII would be able to view the amount to be blocked as per his/ her bid in such intimation. The RII would also be able to view an attachment wherein the IPO bid details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO;
13. Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII;
14. The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary;
15. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation;
16. RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue Period. For each such modification of the Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above;
17. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such bids and shall not upload such bids with the Stock Exchange.
18. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the bid Amount mentioned in the Bid cum Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
19. The bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicant to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

**POST ISSUE CLOSURE – FINALIZATION OF BASIS OF ALLOTMENT OF SHARES, DEBIT OF BLOCKED AMOUNT, CREDIT OF SHARES AND LISTING**

Post closure of the offer, the stock exchange would share the bid details with RTA. Further, stock exchange would also provide RTA the final file received from Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID

The RTA, based on information of bidding and blocking received from stock exchange, would undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

Thereafter, Stock Exchanges will issue the listing and trading approval and trading will commence next working day.

## **TERMS OF PAYMENT**

The entire Issue Price of ₹[●]/- per Equity Share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange;
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and Commissions in relation to:
  - (a) The applications accepted by them;
  - (b) The applications uploaded by them;
  - (c) The applications accepted but not uploaded by them or
  - (d) With respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to:
  - (a) The applications accepted by any Designated Intermediaries;
  - (b) The applications uploaded by any Designated Intermediaries; or
  - (c) The applications accepted but not uploaded by any Designated Intermediaries;
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

| Sr. No. | Details*            |
|---------|---------------------|
| 1.      | Symbol;             |
| 2.      | Intermediary Code;  |
| 3.      | Location Code;      |
| 4.      | Application Number; |
| 5.      | Category;           |
| 6.      | PAN;                |
| 7.      | DP-ID;              |
| 8.      | Client-ID;          |
| 9.      | Quantity;           |
| 10.     | Amount              |

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:

- Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP-ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non Retail Applicants and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final Certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **ALLOCATION OF EQUITY SHARES**

1. The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker and [●] Equity shares (Net Issue) will be allocated on a proportionate basis to Retail Individual Investors, subject to valid applications being received from Retail Individual Investors at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants;
2. Under-subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of SEBI (ICDR) Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

#### **ISSUANCE OF ALLOTMENT ADVICE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **GENERAL INSTRUCTIONS**

1. Do's:
  - Check if you are eligible to apply;



- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct ASBA Account number in the Application Form and in case of Retail Individual Investors applying through UPI Channel, ensure that you have mentioned the correct UPI-ID.
- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## 2. Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding ₹2,00,000.00/- (for applications by Retail Individual Investors);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected. 221 SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the

application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

## **OTHER INSTRUCTIONS FOR THE APPLICANTS**

### **Joint Applications**

In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Applications**

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

### **Impersonation:**

Attention of the application is specifically drawn to the provisions of the sub-section (1) of Section 38 of the companies Act, 2013 which is reproduced below:

*“Any person who*

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*
- (d) The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.”*

### **Investor Grievance**

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to 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 Applicants should inform their respective DP.

### **Grounds for Technical Rejections**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;

- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications made using a third party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in this Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals. Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹2,00,000.00 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;

- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants, other Retail Individual Investors, not submitted through ASBA process and Applications by Retail Individual Investors not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Investors to validate the request of blocking of Application amount sent by the Sponsor Bank;
- Applications not uploaded on the terminals of the Stock Exchanges;
- 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 Application Form;
- Details of ASBA Account not provided in the Application form;
- In case of Retail Individual Investors applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc

## **GROUND FOR REFUND**

### **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 this prospectus. The designated stock exchange may be as disclosed in this prospectus with which the basis of allotment may be finalised.

If the Issuer fails to make an 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 be not less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permission 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 monies received from the applicants in pursuance of this Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 39 of the Companies Act, and as disclosed in this Prospectus.

### **2. Non-Fulfilment of the obligation by the Underwriters**

The Issue is not restricted to any minimum subscription and is 100% underwritten. If the Issuer does not receive subscription of 100% of the Issue, including development to the Underwriters, as applicable, the issuer may forthwith, take steps to unblock the entire subscription amount received within six working days of the application/issue closing date. This is further subject to the compliance with Rule 19(2)(b) of the SCRR.

If there is a delay beyond the prescribed time after the issuer becomes liable to pay or unblock the amount received from applicants, then the issuer and every director of the issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

Applicant should note that in case the PAN, the DP-ID and client id mentioned in the application form and entered into the electronic application system of the stock exchange by the brokers do not match with PAN, the DP-ID and client id available in the depository database, the application form is liable to be rejected.

## **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

## **COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING**

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 (six) Working Days of the Issue Closing Date. The Registrar to the Issue may dispatch the Allotment Advice within 6 (six) Working Days of the Issue Closing Date.

## **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

1. The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated [●] with Lead Manager. For Further information, please refer section '*General Information*' beginning from page 58 of this Draft Prospectus;
2. A copy of the Draft Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

## **UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
3. That the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue by the issuer.
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations.
6. That no further issue of securities shall be made till the securities offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19.
7. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
8. That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the

same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

9. That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
10. That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
4. The utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
5. The details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

1. Agreement dated January 20, 2021, between CDSL, the Company and the Registrar to the Issue;
2. Agreement dated January 06, 2021 between NSDL, the Company and the Registrar to the Issue;

The Company's Equity Shares bear ISIN 'INE0GC401011'.

## **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, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the prospectus before investing in the Issue.

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations, 2018”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire prospectus and the Application Form and the abridged prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the prospectus, the disclosures in the prospectus shall prevail. The prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the Lead Manager to the Issue, on the Website of Issuer Company and on the website of Securities and Exchange Board of India (“SEBI”).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### **SECTION 2: BRIEF INTRODUCTION TO IPO ON SME PLATFORM OF NSE LIMITED**

##### **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 under chapter IX of SEBI (ICDR) regulation 2018, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of Regulation 228, 229 and 230 of the SEBI (ICDR) Regulations, 2018. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the prospectus.

The present Issue being made under Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulation 2018.

##### **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2018, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities



Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for an IPO in SME platform of NSE under Chapter IX of SEBI (ICDR) Regulation 2018:

- a) In accordance with Regulation 260 of SEBI (ICDR) Regulation 2018, Issue has to be 100% underwritten and the Lead Manager has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 268 of SEBI (ICDR) Regulation 2018, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, then the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The Board shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the Board, The Lead Manager and the NSE Emerge.

Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of this draft prospectus and prospectus shall also be furnished to the Board in a soft copy.

- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulation 2018, the Lead Manager has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.

- e) The company should be incorporated under the companies Act 1956/2013.

- f) The post issue paid up capital of the company (face value) shall not be more than ₹2500.00 Lakh.

- g) The Company should have positive net-worth.

- h) The Company should have Net Tangible assets of at least ₹3 crores as per the latest audited financial results

- i) The company should have a track record of at least 3 years.

- j) The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive

- k) The Company should have a website

- l) It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories

- m) There should not be any change in the promoters of the company in preceding one year from date of filing the application to NSE Emerge for listing under SME segment.

- n) The company should not have been referred to Board for Industrial and Financial Reconstruction.
- o) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- p) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations 2018 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Thus, the Company is eligible for the Issue in accordance with Regulation 229(1) and other provision of Chapter IX of SEBI (ICDR) Regulations, 2018 as the post –issue face value capital does not exceed ₹1000 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of NSE Limited for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018, 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 this prospectus (in case of a fixed price Issue) and determine the price at a later date before filing 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. Applicants should refer to the prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

The present issue is 100% Fixed Price Issue.

### **2.4 Offer Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged prospectus or prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### **2.5 Migration to Main Board**

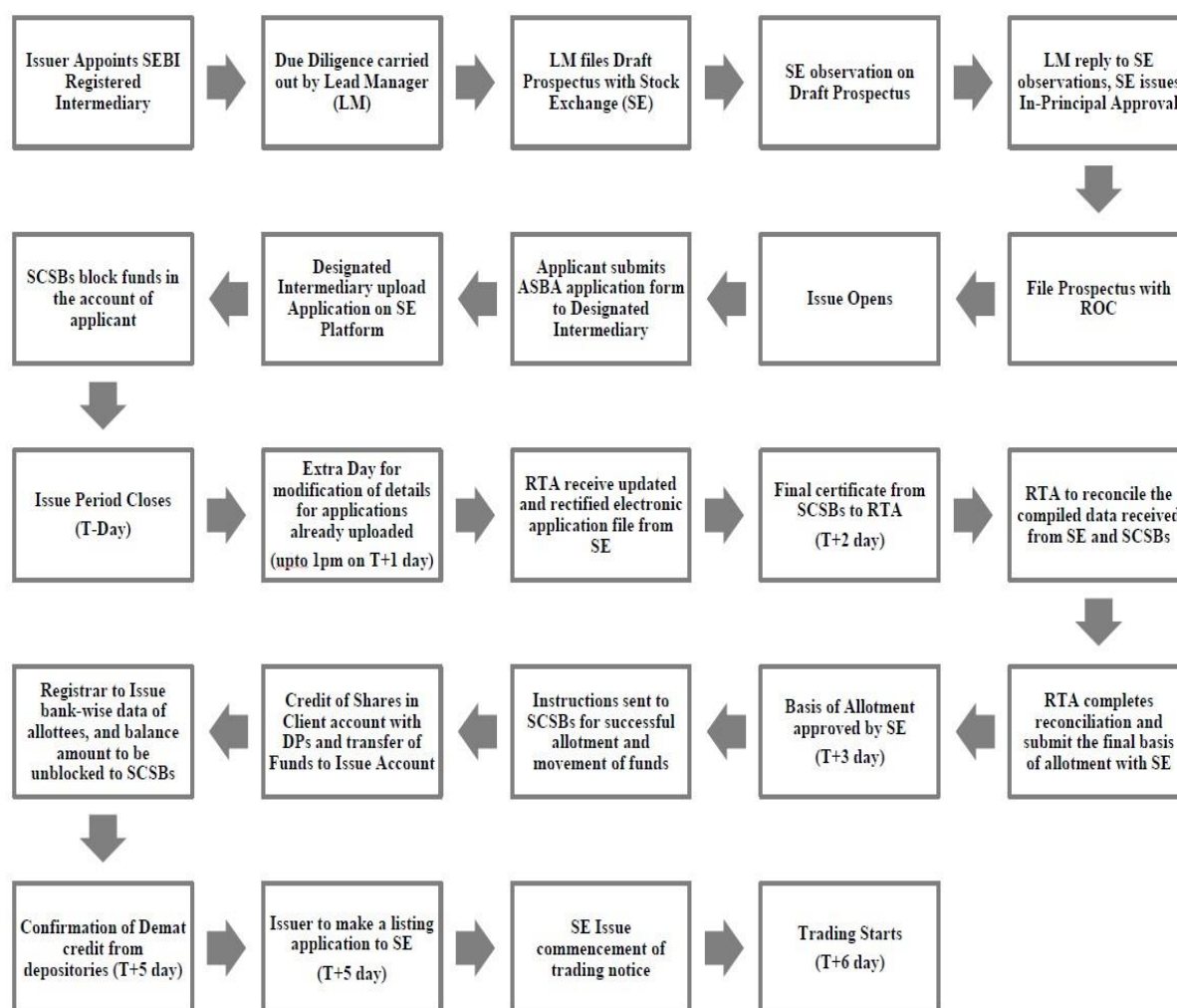
SME Issuer may migrate to the Main Board of Stock Exchange from the SME platform of NSE Limited at a later date in accordance with Regulation 277 of the SEBI (ICDR) Regulations mentioned below:

An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value capital is more than ten crore rupees and up to twenty-five crore rupees, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board:

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price Issues is as follows:



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian national's resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2018 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVC are registered with SEBI.

- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/ societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of ₹2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

Application should not be made by:

- Minors (Except under guardianship)
- Partnership firms or their nominees
- Foreign Nations (Except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### SECTION 4: APPLYING IN THE ISSUE

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the Lead Manager. For further details regarding availability of Application Forms, Applicants may refer to the prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category Colour

| Category                                                                                                                                                                  | Color of the Application |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 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                     |

Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public issues by Retail Individual Investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).

Investors are advised to carefully refer SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 for the procedure to be followed for applying through UPI. Retail Individual Investors have to apply through UPI mechanism. Retail Individual Investors whose bank is not live on UPI as on the date of this Circular, may use the other alternate

channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account (Channel I or II at Para 5.1 of Circular dated November 01, 2018)

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING APPLICATION FORM/APPLICATION FORM (FIXED PRICE ISSUE)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application

Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

|                                 |                                                      |  |                                                                                                      |
|---------------------------------|------------------------------------------------------|--|------------------------------------------------------------------------------------------------------|
| COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R               |  | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS |
|                                 | Address : ..... Contact Details : ..... CIN No. .... |  |                                                                                                      |

|      |                                              |                  |                                   |
|------|----------------------------------------------|------------------|-----------------------------------|
| LOGO | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED | BOOK BUILT ISSUE | Bid cum Application Form No. .... |
|      |                                              | ISIN : .....     |                                   |

|                                        |                                        |                                                  |
|----------------------------------------|----------------------------------------|--------------------------------------------------|
| SYNDICATE MEMBER'S STAMP & CODE        | BROKER/SCSB/DP/RTA STAMP & CODE        | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER |
| SUBBROKER'S / SUB AGENT'S STAMP & CODE | BROKER/SCSB/DP/RTA BRANCH STAMP & CODE |                                                  |
| BANK BRANCH SERIAL NO.                 | SCSB SERIAL NO.                        |                                                  |

| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                              | 6. INVESTOR STATUS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                                                                        |                          |  |                         |                         |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------|--|-------------------------|-------------------------|-----------------|-----------|----------|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                              | <input type="checkbox"/> Individual(s) - IND<br><input type="checkbox"/> Hindu Undivided Family - HUF<br><input type="checkbox"/> Bodies Corporate - CB<br><input type="checkbox"/> Banks & Financial Institutions - FI<br><input type="checkbox"/> Mutual Funds - MF<br><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)<br><input type="checkbox"/> National Investment Fund - NIF<br><input type="checkbox"/> Insurance Funds - IF<br><input type="checkbox"/> Insurance Companies - IC<br><input type="checkbox"/> Venture Capital Funds - VCF<br><input type="checkbox"/> Alternative Investment Funds - AIF<br><input type="checkbox"/> Others (Please specify) - OTH |                                                                                              |                                                                                        |                          |  |                         |                         |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |
| 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")<br><table border="1"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures)<br/>(Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> |                                                                                              | Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | No. of Equity Shares Bid (in Figures)<br>(Bid must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures) |                          |  | "Cut-off" (Please tick) | Bid Price               | Retail Discount | Net Price | Option 1 |  |  |  |  | <input type="checkbox"/> | (OR) Option 2 |  |  |  |  | <input type="checkbox"/> | (OR) Option 3 |  |  |  |  | <input type="checkbox"/> | 5. CATEGORY<br><input type="checkbox"/> Retail Individual Bidder<br><input type="checkbox"/> Non-Institutional Bidder<br><input type="checkbox"/> QIB |  |
| Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No. of Equity Shares Bid (in Figures)<br>(Bid must be in multiples of Bid Lot as advertised) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                              | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures) |                          |  |                         | "Cut-off" (Please tick) |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                              | Bid Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Retail Discount                                                                              | Net Price                                                                              |                          |  |                         |                         |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                              |                                                                                        | <input type="checkbox"/> |  |                         |                         |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                              |                                                                                        | <input type="checkbox"/> |  |                         |                         |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                              |                                                                                        | <input type="checkbox"/> |  |                         |                         |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |                                                                                                                                                       |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------|
| 7. PAYMENT DETAILS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/> |
| Amount paid (₹ in figures) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  | (₹ in words) .....                                                                           |
| ASBA Bank A/c No. ....<br>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 (SCHEDULE) PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTORS IN BLOCK LITERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INTRODUCTION FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF. |  |                                                                                              |

|                                      |                                                                                                                         |                                                                                       |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 8A. SIGNATURE OF SOLE / FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)                                                      | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Block Exchange system) |
| Date : .....<br>(Signature)          | I/We authorize the SCSB to debit my/our account to make the Application in the line<br>1) .....<br>2) .....<br>3) ..... |                                                                                       |

|      |                          |                                            |                                   |
|------|--------------------------|--------------------------------------------|-----------------------------------|
| LOGO | XYZ LIMITED              | Acknowledgment Slip for Broker/SCSB/DP/RTA | Bid cum Application Form No. .... |
|      | INITIAL PUBLIC ISSUE - R |                                            |                                   |

|                                      |                                  |
|--------------------------------------|----------------------------------|
| DPID / CUID                          | PAN of Sole / First Bidder       |
| Amount paid (₹ in figures) .....     | Stamp & Signature of SCSB Branch |
| ASBA Bank A/c No. ....               |                                  |
| Received from Mr./Ms. ....           |                                  |
| Telephone / Mobile ..... Email ..... |                                  |

|                                        |                        |          |          |                                               |                                |
|----------------------------------------|------------------------|----------|----------|-----------------------------------------------|--------------------------------|
| XYZ LIMITED - INITIAL PUBLIC ISSUE - R | Option 1               | Option 2 | Option 3 | Stamp & Signature of Broker / SCSB / DP / RTA | Name of Sole / First Bidder    |
|                                        | No. of Equity Shares   |          |          |                                               |                                |
|                                        | Bid Price              |          |          |                                               | Acknowledgment Slip for Bidder |
|                                        | Amount Paid (₹)        |          |          |                                               |                                |
|                                        | ASBA Bank A/c No. .... |          |          |                                               |                                |



| <b>COMMON BID CUM APPLICATION FORM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br>Address : _____ Contact Details : _____ CIN No. _____                                                                                                                                                                                                                                                                                                                                                    | <b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS</b>                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------|-----------------------------------------|---------------------------------------|-------------------------|----------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------|--|------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--|--------------------------|--|---------------|--------------------------|--|---------------|--|--------------------------|--|--|--------------------------|--|--|
| LOGO _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED                                                                                                                                                                                                                                                                                                                                                                                                               | Bid cum Application Form No. _____<br><div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div><br>ISIN : _____ |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">SYNDICATE MEMBER'S STAMP &amp; CODE</td> <td style="width: 33%;">BROKER/SCSB/DP/RTA STAMP &amp; CODE</td> <td style="width: 34%;">1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td>Mr. / Ms. _____</td> </tr> <tr> <td>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</td> <td>DISCROW BANK/SCSB BRANCH STAMP &amp; CODE</td> <td>Address _____</td> </tr> <tr> <td></td> <td></td> <td>Email _____</td> </tr> <tr> <td>BANK BRANCH SERIAL NO.</td> <td>SCSB SERIAL NO.</td> <td>Tel. No (with STD code) / Mobile _____</td> </tr> <tr> <td></td> <td></td> <td>2. PAN OF SOLE / FIRST BIDDER _____</td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | BROKER/SCSB/DP/RTA STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                            | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER                                                      |                                                                                                                                        |                   | Mr. / Ms. _____                                      | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | DISCROW BANK/SCSB BRANCH STAMP & CODE | Address _____           |                                        |                         | Email _____                                                                                                                            | BANK BRANCH SERIAL NO.      | SCSB SERIAL NO.                      | Tel. No (with STD code) / Mobile _____                                                                                                 |          |  | 2. PAN OF SOLE / FIRST BIDDER _____            |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | BROKER/SCSB/DP/RTA STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                            | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Mr. / Ms. _____                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | DISCROW BANK/SCSB BRANCH STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                      | Address _____                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Email _____                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| BANK BRANCH SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | SCSB SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                            | Tel. No (with STD code) / Mobile _____                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2. PAN OF SOLE / FIRST BIDDER _____                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"> <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>    <input type="checkbox"/> NSDL    <input type="checkbox"/> CDSL<br/>         Use NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID       </td> <td style="width: 30%;"> <b>4. INVESTOR STATUS</b><br/> <input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)<br/> <input type="checkbox"/> FI FI or Sub-account not a Corporate/Foreign Individual<br/> <input type="checkbox"/> FIIA FI Sub-account Corporate/Individual<br/> <input type="checkbox"/> FVCI Foreign Venture Capital Investor<br/> <input type="checkbox"/> FPI Foreign Portfolio Investors<br/> <input type="checkbox"/> OTH Others (Please Specify) _____       </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>Use NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>4. INVESTOR STATUS</b><br><input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)<br><input type="checkbox"/> FI FI or Sub-account not a Corporate/Foreign Individual<br><input type="checkbox"/> FIIA FI Sub-account Corporate/Individual<br><input type="checkbox"/> FVCI Foreign Venture Capital Investor<br><input type="checkbox"/> FPI Foreign Portfolio Investors<br><input type="checkbox"/> OTH Others (Please Specify) _____ |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>Use NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>4. INVESTOR STATUS</b><br><input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis)<br><input type="checkbox"/> FI FI or Sub-account not a Corporate/Foreign Individual<br><input type="checkbox"/> FIIA FI Sub-account Corporate/Individual<br><input type="checkbox"/> FVCI Foreign Venture Capital Investor<br><input type="checkbox"/> FPI Foreign Portfolio Investors<br><input type="checkbox"/> OTH Others (Please Specify) _____ |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 65%;"> <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b><br/> <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 10%;">Bid Options</th> <th style="width: 20%;">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off"<br/>(Price in multiples of ₹ 1/- only) (In Figures)</th> <th style="width: 10%;">5. CATEGORY</th> </tr> <tr> <td></td> <td></td> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> <td> <input type="checkbox"/> Retail Individual Bidder<br/> <input type="checkbox"/> Non-Institutional Bidder<br/> <input type="checkbox"/> QIB         </td> </tr> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> </table> </td> <td style="width: 35%;"></td> </tr> </table> |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b><br><table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 10%;">Bid Options</th> <th style="width: 20%;">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off"<br/>(Price in multiples of ₹ 1/- only) (In Figures)</th> <th style="width: 10%;">5. CATEGORY</th> </tr> <tr> <td></td> <td></td> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> <td> <input type="checkbox"/> Retail Individual Bidder<br/> <input type="checkbox"/> Non-Institutional Bidder<br/> <input type="checkbox"/> QIB         </td> </tr> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> </table> | Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised)         | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures)                                                |                   |                                                      |                                         | 5. CATEGORY                           |                         |                                        | Bid Price               | Retail Discount                                                                                                                        | Net Price                   | "Cut-off" (Please tick)              | <input type="checkbox"/> Retail Individual Bidder<br><input type="checkbox"/> Non-Institutional Bidder<br><input type="checkbox"/> QIB | Option 1 |  |                                                |                                                     |                                                                                                                   | <input type="checkbox"/> |                                                     | (OR) Option 2                                                                                                     |  |                          |  |               | <input type="checkbox"/> |  | (OR) Option 3 |  |                          |  |  | <input type="checkbox"/> |  |  |
| <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b><br><table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 10%;">Bid Options</th> <th style="width: 20%;">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off"<br/>(Price in multiples of ₹ 1/- only) (In Figures)</th> <th style="width: 10%;">5. CATEGORY</th> </tr> <tr> <td></td> <td></td> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> <td> <input type="checkbox"/> Retail Individual Bidder<br/> <input type="checkbox"/> Non-Institutional Bidder<br/> <input type="checkbox"/> QIB         </td> </tr> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> </table>                                                                                                                                                       | Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised)                                                           | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        | 5. CATEGORY       |                                                      |                                         | Bid Price                             | Retail Discount         | Net Price                              | "Cut-off" (Please tick) | <input type="checkbox"/> Retail Individual Bidder<br><input type="checkbox"/> Non-Institutional Bidder<br><input type="checkbox"/> QIB | Option 1                    |                                      |                                                                                                                                        |          |  | <input type="checkbox"/>                       |                                                     | (OR) Option 2                                                                                                     |                          |                                                     |                                                                                                                   |  | <input type="checkbox"/> |  | (OR) Option 3 |                          |  |               |  | <input type="checkbox"/> |  |  |                          |  |  |
| Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised)                                                                                                                                                                                                                                                                                                                                                              | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures)                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       | 5. CATEGORY                                                                                                                            |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Bid Price                                                                                                                                               | Retail Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Net Price                                                                                                                                                                                                                                                                                                                                                                                                                                                  | "Cut-off" (Please tick)                                                                               | <input type="checkbox"/> Retail Individual Bidder<br><input type="checkbox"/> Non-Institutional Bidder<br><input type="checkbox"/> QIB |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <input type="checkbox"/>                                                                              |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <input type="checkbox"/>                                                                              |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <input type="checkbox"/>                                                                              |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"> <b>7. PAYMENT DETAILS</b><br/>         Amount paid (₹ in figures) _____ (₹ in words) _____       </td> <td style="width: 40%;"> <b>PAYMENT OPTION : FULL PAYMENT</b>    <input type="checkbox"/>    <b>PART PAYMENT</b>    <input type="checkbox"/> </td> </tr> <tr> <td colspan="2"> <b>ASBA</b><br/>         Bank A/c No. _____<br/>         Bank Name &amp; Branch _____       </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | <b>7. PAYMENT DETAILS</b><br>Amount paid (₹ in figures) _____ (₹ in words) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                 | <b>ASBA</b><br>Bank A/c No. _____<br>Bank Name & Branch _____                                         |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <b>7. PAYMENT DETAILS</b><br>Amount paid (₹ in figures) _____ (₹ in words) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <b>ASBA</b><br>Bank A/c No. _____<br>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 AGREES/INDENTURES AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THIS BID CUM APPLICATION FORM GIVEN OVERLEAF.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"> <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b><br/>         _____<br/>         Date : _____       </td> <td style="width: 33%;"> <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b><br/>         (AS PER BANK RECORDS)<br/>         I/We authorize the SCSB to do all acts as are necessary to make the Application in the time<br/>         1) _____<br/>         2) _____<br/>         3) _____       </td> <td style="width: 34%;"> <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)<br/>         _____       </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b><br>_____<br>Date : _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b><br>(AS PER BANK RECORDS)<br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the time<br>1) _____<br>2) _____<br>3) _____                                                                                                                                                                                                                                            | <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)<br>_____ |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b><br>_____<br>Date : _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b><br>(AS PER BANK RECORDS)<br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the time<br>1) _____<br>2) _____<br>3) _____                                                                                                                                                                                                                                            | <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)<br>_____                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; vertical-align: top;">         LOGO _____       </td> <td style="width: 35%; vertical-align: top;"> <b>XYZ LIMITED</b><br/> <b>INITIAL PUBLIC ISSUE - NR</b> </td> <td style="width: 20%; vertical-align: top;"> <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b> </td> <td style="width: 20%; vertical-align: top;">         Bid cum Application Form No. _____<br/>         PAN of Sole / First Bidder _____       </td> </tr> <tr> <td>         DPID / CLID _____       </td> <td colspan="3">         Amount paid (₹ in figures) _____ Bank &amp; Branch _____       </td> </tr> <tr> <td>         ASBA Bank A/c No. _____       </td> <td colspan="3">         Stamp &amp; Signature of SCSB Branch _____       </td> </tr> <tr> <td>         Received from Mr./Ms. _____       </td> <td colspan="3">         Telephone / Mobile _____ Email _____       </td> </tr> </table>                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | LOGO _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>XYZ LIMITED</b><br><b>INITIAL PUBLIC ISSUE - NR</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>                                                    | Bid cum Application Form No. _____<br>PAN of Sole / First Bidder _____                                                                 | DPID / CLID _____ | Amount paid (₹ in figures) _____ Bank & Branch _____ |                                         |                                       | ASBA Bank A/c No. _____ | Stamp & Signature of SCSB Branch _____ |                         |                                                                                                                                        | Received from Mr./Ms. _____ | Telephone / Mobile _____ Email _____ |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| LOGO _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>XYZ LIMITED</b><br><b>INITIAL PUBLIC ISSUE - NR</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>                                                                                                      | Bid cum Application Form No. _____<br>PAN of Sole / First Bidder _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| DPID / CLID _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amount paid (₹ in figures) _____ Bank & Branch _____                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| ASBA Bank A/c No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Stamp & Signature of SCSB Branch _____                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| Received from Mr./Ms. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Telephone / Mobile _____ Email _____                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 45%;"> <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br/> <table style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4">           ASBA Bank A/c No. _____<br/>           Bank &amp; Branch _____         </td> </tr> </table> </td> <td style="width: 10%;">         Stamp &amp; Signature of Broker / SCSB / DP / RTA _____       </td> <td style="width: 45%;">         Name of Sole / First Bidder _____<br/> <b>Acknowledgement Slip for Bidder</b><br/>         Bid cum Application Form No. _____       </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br><table style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4">           ASBA Bank A/c No. _____<br/>           Bank &amp; Branch _____         </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Option 1                                                                                              | Option 2                                                                                                                               | Option 3          | No. of Equity Shares                                 |                                         |                                       |                         | Bid Price                              |                         |                                                                                                                                        |                             | Amount Paid (₹)                      |                                                                                                                                        |          |  | ASBA Bank A/c No. _____<br>Bank & Branch _____ |                                                     |                                                                                                                   |                          | Stamp & Signature of Broker / SCSB / DP / RTA _____ | Name of Sole / First Bidder _____<br><b>Acknowledgement Slip for Bidder</b><br>Bid cum Application Form No. _____ |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br><table style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="4">           ASBA Bank A/c No. _____<br/>           Bank &amp; Branch _____         </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Option 1                                                                                                                                                | Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                   | No. of Equity Shares                                                                                  |                                                                                                                                        |                   |                                                      | Bid Price                               |                                       |                         |                                        | Amount Paid (₹)         |                                                                                                                                        |                             |                                      | ASBA Bank A/c No. _____<br>Bank & Branch _____                                                                                         |          |  |                                                | Stamp & Signature of Broker / SCSB / DP / RTA _____ | Name of Sole / First Bidder _____<br><b>Acknowledgement Slip for Bidder</b><br>Bid cum Application Form No. _____ |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Option 2                                                                                                                                                | Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| No. of Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| Bid Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| Amount Paid (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |
| ASBA Bank A/c No. _____<br>Bank & Branch _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                       |                                                                                                                                        |                   |                                                      |                                         |                                       |                         |                                        |                         |                                                                                                                                        |                             |                                      |                                                                                                                                        |          |  |                                                |                                                     |                                                                                                                   |                          |                                                     |                                                                                                                   |  |                          |  |               |                          |  |               |  |                          |  |  |                          |  |  |

#### **4.1.1 NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory, and email and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(c) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person*

*(a) who 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 indifferent combinations of his name or surname for acquiring or subscribing for its securities;*

*(c) or otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act.”*

(d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT**

(a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the 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) Application Forms which provide the General Index Register Number instead of PAN may be rejected.



(e) Applications by Applicants whose demat accounts have been “suspended for credit” are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.

(b) Applicants should ensure that the beneficiary account provided in the Application Form is active.

(c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

(d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

(a) The Issuer may mention Price in the prospectus. However, a prospectus registered with ROC contains one price.

(b) Minimum and Maximum Application Size

(i) For Retail Individual Investors

The Application must be for a minimum of [●] Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed ₹2,00,000.00 they can make Application for maximum 1 lot i.e. for [●] Equity Shares.

(ii) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000.00 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000.00 for being considered for allocation in the Non-Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the prospectus.

(c) Multiple Applications: An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

- (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
- (ii) For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(e) The following applications may not be treated as multiple Applications:

- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2018 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2018. For details of any reservations made in the Issue, applicants may refer to the prospectus.
- iii. The SEBI ICDR Regulations, 2018 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block 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 funds shall be blocked for 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) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

#### 4.1.7.1 Payment instructions for Applicants

(a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.

(b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand, 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) Applicant 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) Applicant 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 Application Forms can be submitted.

(f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>).

(g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.

(h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of 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.

(j) 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 may upload the details on the Stock Exchange Platform.

(k) 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.

(l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(m) 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. SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### 4.1.8 Unblocking of ASBA Account

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ partial/ non-allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

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.

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 6 Working Days of the Issue Closing Date.

#### 4.1.8.1 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the prospectus.

(c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### 4.1.8.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

### 4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

(d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

### 4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

(a) All communications in connection with Applications made in the Issue should be addressed as under:

- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
- ii. In case of ASBA applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
- iii. Applicant may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.

(b) The following details (as applicable) should be quoted while making any queries -

- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, UPI ID, PAN, number of Equity Shares applied for, amount blocked on application.
- ii. Name and address of the Designated Intermediary, where the Application was submitted; or
- iii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the prospectus and the Application Form.

## **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

(a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.

(b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

|                                     |                                                                                                       |                                                                                                                                                                                           |
|-------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>COMMON BID<br/>REVISION FORM</b> | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b><br>Address : ..... Contact Details : ..... CIN No. .... | <b>FOR RESIDENT INDIANS, INCLUDING<br/>RESIDENT QIBs, AND ELIGIBLE NRIs<br/>APPLYING ON A NON-REPATRIATION BASIS</b>                                                                      |
| LOGO                                | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED                                                          | <div style="border: 1px solid black; padding: 2px; text-align: center;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">ISIN : .....</div> |
|                                     |                                                                                                       | Bid cum<br>Application<br>Form No. ....                                                                                                                                                   |

|                                         |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SYNDICATE MEMBER'S STAMP & CODE         | BROKER/SCSB/DP/RTA STAMP & CODE        | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b><br>Mr./Ms. ....<br>Address : .....<br>Email : .....<br>Tel. No. (with STD code) / Mobile : .....<br><b>2. PAN OF SOLE / FIRST BIDDER</b> : .....<br><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> : ..... <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br><small>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small> |
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | BROKER/SCSB/DP/RTA BRANCH STAMP & CODE |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| BANK BRANCH SERIAL NO.                  | SCSB SERIAL NO.                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| PLEASE CHANGE MY BID                                                      |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           |                            |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------|---|---|---|---|---|---|-------------------------------------------------------------------------|-----------------|-----------|----------------------------|
| 4. FROM (AS PER LAST BID OR REVISION)                                     |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           |                            |
| Bid Options                                                               | No. of Equity Shares Bid<br>(Bid must be in multiples of Bid Lot as advertised) |   |   |   |   |   |   | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) |                 |           |                            |
|                                                                           | (In Figure)                                                                     |   |   |   |   |   |   | (In Figure)                                                             |                 |           |                            |
|                                                                           | 1                                                                               | 2 | 3 | 4 | 5 | 6 | 7 | Bid Price                                                               | Retail Discount | Net Price | "Cut-off"<br>(Please tick) |
| Option 1                                                                  |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           | <input type="checkbox"/>   |
| (OR) Option 2                                                             |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           | <input type="checkbox"/>   |
| (OR) Option 3                                                             |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           | <input type="checkbox"/>   |
| 5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off") |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           |                            |
| Bid Options                                                               | No. of Equity Shares Bid<br>(Bid must be in multiples of Bid Lot as advertised) |   |   |   |   |   |   | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) |                 |           |                            |
|                                                                           | (In Figure)                                                                     |   |   |   |   |   |   | (In Figure)                                                             |                 |           |                            |
|                                                                           | 1                                                                               | 2 | 3 | 4 | 5 | 6 | 7 | Bid Price                                                               | Retail Discount | Net Price | "Cut-off"<br>(Please tick) |
| Option 1                                                                  |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           | <input type="checkbox"/>   |
| (OR) Option 2                                                             |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           | <input type="checkbox"/>   |
| (OR) Option 3                                                             |                                                                                 |   |   |   |   |   |   |                                                                         |                 |           | <input type="checkbox"/>   |

| 6. PAYMENT DETAILS                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |                                                                                                                                                                             |  |                    |  |                                                                                               |  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------|--|-----------------------------------------------------------------------------------------------|--|--|
| Additional Amount Paid (₹ in figure) : .....                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |                                                                                                                                                                             |  | ₹ in words : ..... |  |                                                                                               |  |  |
| ASBA Bank A/c No. : .....                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |                                                                                                                                                                             |  |                    |  |                                                                                               |  |  |
| Bank Name & Branch : .....                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |                                                                                                                                                                             |  |                    |  |                                                                                               |  |  |
| <small>I/WE IN DEFAULT OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM AND AGREE TO THE TERMS AND CONDITIONS OF THE BID AND TO REMAIN ELIGIBLE FOR THE ALLOTMENT OF SHARES AND TO THE GENERAL INFORMATION DOCUMENT FOR INDIAN PUBLIC ISSUES (DIP) AND TO AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN UNDER LAINE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING OF THE BID REVISION FORM GIVEN OVER LEAD.</small> |  |  |                                                                                                                                                                             |  |                    |  |                                                                                               |  |  |
| <b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b><br>Date : .....                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  | <b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s)</b><br>(AS PER BANK RECORDS)<br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the form |  |                    |  | <b>BROKER / SCNB / DP / RTA STAMP</b> (A stamp holding upload of Bid in Book E Scheme system) |  |  |

|                                                          |                                                                                                                                                             |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TEAR HERE                                                |                                                                                                                                                             |
| LOGO                                                     | <div style="border: 1px solid black; padding: 2px; text-align: center;"> <b>XYZ LIMITED</b><br/> <b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b> </div> |
| Bid cum Application Form No. ....                        |                                                                                                                                                             |
| PAN of Sole / First Bidder : .....                       |                                                                                                                                                             |
| Additional Amount Paid (₹) : ..... Bank & Branch : ..... |                                                                                                                                                             |
| ASBA Bank A/c No. : .....                                |                                                                                                                                                             |
| Received from Mr./Ms. : .....                            |                                                                                                                                                             |
| Telephone / Mobile : ..... Email : .....                 |                                                                                                                                                             |
| TEAR HERE                                                |                                                                                                                                                             |

| <b>XYZ LIMITED -<br/>BID REVISION FORM -<br/>INITIAL PUBLIC ISSUE - R</b> | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3"></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3"></td> </tr> </table> |          | Option 1 | Option 2 | Option 3 | No. of Equity Shares |  |  |  | Bid Price |  |  |  | Additional Amount Paid (₹) |  |  |  | ASBA Bank A/c No. |  |  |  | Bank & Branch |  |  |  | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"> <b>Acknowledgment Slip for Bidder</b> </td> </tr> <tr> <td colspan="2" style="text-align: center;">           Stamp &amp; Signature of Broker / SCSB / DP / RTA         </td> </tr> <tr> <td colspan="2" style="text-align: center;">           Name of Sole / First Bidder : .....         </td> </tr> <tr> <td colspan="2" style="text-align: center;">           Bid cum Application Form No. ....         </td> </tr> </table> | <b>Acknowledgment Slip for Bidder</b> |  | Stamp & Signature of Broker / SCSB / DP / RTA |  | Name of Sole / First Bidder : ..... |  | Bid cum Application Form No. .... |  |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------------------|--|--|--|-----------|--|--|--|----------------------------|--|--|--|-------------------|--|--|--|---------------|--|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--|-----------------------------------------------|--|-------------------------------------|--|-----------------------------------|--|
|                                                                           | Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Option 2 | Option 3 |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| No. of Equity Shares                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| Bid Price                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| Additional Amount Paid (₹)                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| ASBA Bank A/c No.                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| Bank & Branch                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| <b>Acknowledgment Slip for Bidder</b>                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| Stamp & Signature of Broker / SCSB / DP / RTA                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| Name of Sole / First Bidder : .....                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |
| Bid cum Application Form No. ....                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          |          |          |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |  |                                               |  |                                     |  |                                   |  |

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 FIELD 4 & 5: APPLICATION REVISION “FROM” AND “TO”**

(a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.

(b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed ₹2,00,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

(a) Applicants are required to make payment of the full application along with the Revision Form.

(b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/ APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:

| <b>Mode of Application</b> | <b>Submission of application Form</b>        |
|----------------------------|----------------------------------------------|
| All Investors Application  | To the Application Collecting Intermediaries |

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

a. 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 Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and

(ii) Other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

b. Grounds for technical rejections

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of applicable lot size;
- Category not ticked;
- Multiple Applications as defined in this prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and prospectus as per the instructions in the prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the
- PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulations or “qualified institutional buyers” as defined in
- Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹200000 received after 3.00 pm on the issue closing date unless the extended time is permitted by NSE Limited.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process; except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.
- Applications not uploaded on the terminals of the Stock Exchanges; and
- 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 Application Form.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.



**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 Basis of Allotment**

Allotment will be made in consultation with NSE Emerge (in NSE Limited, the Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

c) For applications where the proportionate allotment works out to less than [●] Equity Shares the allotment will be made as follows:

i. Each successful applicant shall be allotted [●] Equity Shares;

ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

d) If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares.

e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this prospectus.

f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:

i. As per Regulation 32(4) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

- ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000.00. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of NSE Limited.

The Executive Director / Managing Director of NSE Limited- the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

a) Designated Date: On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date,

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **8.2.1 Non-Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in prospectus. The Designated Stock Exchange may be as disclosed in the prospectus with which the Basis of Allotment may be finalized.

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 initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the prospectus.

### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, our company shall forthwith unblock the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 267 of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹100000/- (Rupees One Lakh) per application. The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

### **8.2.3 Minimum Number of Allottees**

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

## **8.3 MODE OF UNBLOCKING OF FUNDS**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### **8.3.1 Mode of making refunds for Applicants**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT**

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

(i) Where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:

(a) The requisite approval of the Government has been obtained; and

(b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;

(ii) Where the transfer of shares attracts SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;

(iii) Where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:

(a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;

(b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and

(iv) where the investee company is in the financial sector provided that:

(a) Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and

(b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance 225 with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Investment by NRI or OCI on non-repatriation basis as per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital

Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION XII – DESCRIPTION OF EQUITY SHARES AND TERMS OF  
ARTICLES OF ASSOCIATION**

---

**TABLE F**

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**VARDAAN BIOTECH LIMITED**

(Changed from **Vardaan Biotech Pvt. Ltd.** *after taking approval of the members in Extra-Ordinary General meeting held on 05th January 2021*)

***Preliminary***

1. Regulations in Table – F in the first schedule in the Companies Act, 2013 shall apply to this company except in so far as they are not inconsistent with any of the provisions contained in these regulations and except in so far as they are hereinafter expressly or impliedly excluded or modified.

***Interpretation***

**I. (1) In these regulations—**

(a) “the Act” means the Companies Act, 2013,

(b) “the Company” means **VARDAAN BIOTECH LIMITED**,  
(Changed from **Vardaan Biotech Pvt. Ltd.** *after taking approval of the members in Extra-Ordinary General meeting held on 05th January 2021*)

(c) “the seal” means the common seal of the company.

- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

***Share capital and variation of rights***

- II. 1.** Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 2. (i)** Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

- 5 (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### ***Employees Stock Option Scheme***

9. The Board of Directors, subject to the rules and regulations prescribed in this connection may offer, issue and allot shares in the Capital of the Company as sweat equity shares or shares under the employee's stock option scheme.

### ***Lien***

10. (i) The company shall have a first and paramount lien—



(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.

- 11.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

- 12.** (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- 13.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### ***Calls on shares***

- 14.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board

- 15.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

- 16.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**17. (i)** If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**18. (i)** Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**19.** The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### ***Transfer of shares***

**20. (i)** The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**21.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

**22.** The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

**23.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### ***Transmission of shares***

24. (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 shareholder, shall be the only persons recognized 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.

25. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

26. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

27. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.

28. In case of a One Person Company—

(i) on the death of the sole member, the person nominated by such member shall be the person recognized by the company as having title to all the shares of the member;

(ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;

(iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;

(iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

### ***Forfeiture of shares***

29. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains

unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

**30.** 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.

**31.** 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

**32. (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.

**33. (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.

**34. (i)** A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(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.

**35.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### ***Alteration of capital***

**36.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

**37.** Subject to the provisions of section 61, the company may, by ordinary resolution,

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**38. Where shares are converted into stock,**

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.

**39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,**

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

***Capitalisation of profits***

**40. (i) The company in general meeting may, upon the recommendation of the Board, resolve—**

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**40.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

### ***Buy-back of shares***

**41.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### ***General meetings***

**42.** All general meetings other than annual general meeting shall be called extraordinary general meeting.

**43.** (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### ***Proceedings at general meetings***

**44** (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

**45.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

- 46.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 47.** If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- 48.** In case of a One Person Company—
- (i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;
  - (ii) such minutes book shall be signed and dated by the member;
  - (iii) the resolution shall become effective from the date of signing such minutes by the sole member.

### ***Adjournment of meeting***

- 49.** (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### ***Voting rights***

- 50.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 51.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 52.** (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.
- 53.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 54.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 55.** 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.

**56.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### ***Proxy***

**57.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**58.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**59.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### ***Board of Directors***

**60.** Until otherwise determined by a general Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debentures and Alternate Directors) shall not be less than three or more than fifteen.

First Directors of the Company are as follows :

1. MR. LOKENDRA RAJPUT
2. MRS. RASHMI RAJPUT

**61.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

**62.** The Board may pay all expenses incurred in getting up and registering the company.

**63.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.

**64.** All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.



65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### ***Proceedings of the Board***

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

72. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

74. 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.

75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

76 In case of a One Person Company—

(i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;

(ii) such minutes book shall be signed and dated by the director;

(iii) the resolution shall become effective from the date of signing such minutes by the director.

### ***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

77. Subject to the provisions of the Act,

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

78. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### ***The Seal***

79. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### ***Dividends and Reserve***

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

82. (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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think 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.

**83.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**84.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**85.** (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**86.** 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.

**87.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**88.** No dividend shall bear interest against the company.

### ***Accounts***

**89.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### ***Winding up***

**90.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### ***Indemnity***

- 91.** 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.

We, the several partners whose names and address are subscribed below, are desirous of being formed into a company in pursuance of this Article of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respectively names:

| S.No | Name, Address, description and Occupation of the subscriber                                                                                                      | Signature of the subscriber | Names, Address, description & Occupation of the Witness                                                                                                                                     |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01   | <p>LOKENDRA SINGH RAJPUT<br/>S/O SHRI HARI SINGH RAJPUT</p> <p>R/O 66, KIRTI NAGAR, INDORE<br/>ROAD, UJJAIN (MP)<br/>PIN: 456010</p> <p>OCCUPATION: BUSINESS</p> |                             | <p>Witness to all subscribers:-</p> <p>Name: Ankur Goyal<br/>s/o: Shri Anil Kumar Goyal<br/>Res: "Nandan" 33, University Road, Ujjain (MP)- 456010<br/>Occupation: Chartered Accountant</p> |
| 02   | <p>RASHMI RAJPUT<br/>W/O SHRI LOKENDRA SINGH<br/>RAJPUT</p> <p>R/O 32, FRUIT MARKET<br/>LASHKAR, GWALIOR (MP)<br/>474009</p> <p>OCCUPATION: BUSINESS</p>         |                             |                                                                                                                                                                                             |

Dated: 14.12.07

Place: UJJAIN

## SECTION XIII – OTHER INFORMATION

---

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India from date of filing the Draft Prospectus with Registrar of Companies till the Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### Material Contracts

- 1) Issue Agreement dated February 12, 2021 between our Company and the Lead Manager to the Issue;
- 2) Registrar Agreement dated February 15, 2021 between our Company and the Registrar to the Issue;
- 3) Underwriting Agreement dated [●] between our Company and Underwriter - Lead Manager and Market Marker;
- 4) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker;
- 5) Tripartite agreement among the NSDL, our Company and the Registrar to the Issue dated January 06, 2021;
- 6) Tripartite agreement among the CDSL, our Company and the Registrar to the Issue dated January 20, 2021;
- 7) Escrow Agreement dated [●] signed between our Company, the Lead Manager, Banker(s) to the Issue/ Escrow Collection Bank(s) and the Registrar to the Issue.

#### Material Documents

- 1) Certified true copy of Certificate of incorporation of our Company;
- 2) Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation;
- 3) Copy of resolution passed at the meeting of the Board of Directors of our Company dated February 08, 2021 authorizing the Fresh Issue of Equity Shares;
- 4) Copy of special resolution of the shareholders passed at the Extra Ordinary General Meeting dated February 12, 2021, authorizing the Fresh Issue of Equity Shares;
- 5) Copy of resolution passed at the board meeting held on January 25, 2021, and subsequently shareholders meeting held on February 03, 2021, for fixing the term of appointment and the remuneration of Lokendra Rajput, Managing Director;
- 6) Statement of Possible Special Tax Benefits dated February 16, 2021, issued by M/s S.K.Khandelwal & Associates, Chartered Accountants, Independent Peer Review Certified Auditor to the Company;
- 7) Peer Review/ Independent Auditor's Report dated February 10, 2021 issued by M/s S.K.Khandelwal & Associates, Chartered Accountants, on the Restated Financial Statements for period ending on September 30, 2020 and for the Financial Years 2019-2020, 2018-2019, 2017-2018 of our Company;
- 8) Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, the Registrar to the Issue, the Statutory Auditors to the Company, Peer Reviewed Auditor, the Legal Advisor to the Issue, Banker(s) to the Company, Market Maker(s), Underwriter(s), and the Banker(s) to the Issue/ Escrow Collection Bank(s) to act in their respective capacities;

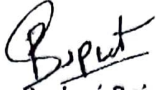
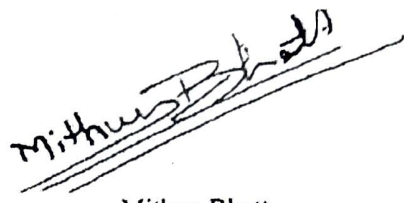
- 9) Copy of approval from NSE Emerge vide letter dated [●], to use the name of NSE Emerge in this Draft Prospectus for listing of Equity Shares on NSE Emerge;
- 10) Due Diligence Certificate dated March 12, 2021 from the Lead Manager to NSE Emerge;
- 11) Due Diligence Certificate dated [●] from the Lead Manager to be submitted to SEBI along with the filing of the Draft Prospectus.

None of the contracts or documents mentioned in the Draft 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 shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

|                                                                                                                               |                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <br>Lokendra Rajput<br>Managing Director     | <br>Rashmi Rajput<br>Executive Director         |
| <br>Pushpa Rajput<br>Non-Executive Director | <br>Mithun Bhatt<br>Independent Director       |
| <br>Avinash Khare<br>Independent Director  | <br>Lakhan Jaiswal<br>Chief Financial Officer |

Place: UJJAIN

Date: 12/03/2021